NATIONAL ARCHIVES OF AUSTRALIA

NAA: A6740, EGYPT

Series number: A6740

Control symbol: EGYPT

Barcode: 3001108

Number of pages: 119

Title: Monthly Reports on Economic Conditions in Egypt, August 1944 to December 1945

Copies of this record are provided for research or study purposes. Before making use of the material for other purposes (for example publication) please refer to information on copyright obligations and citing archival records available on our website at www.naa.gov.au.

Monthly Report on Economic Conditions in

EGYPT.

National Archives of Australia NAA: A6740, EGYPT

FILE No:

National Archives of Australia

NAA: A6740, EGYPT

FILE No.....

DEPARTMENT OF EXTERNAL AFFAIRS.

SUBJECT.
Monthly Report on Economic Conditions in EGYPT.

PREVIOUS FILE:	43/275/3/1
NEXT FILE:	

RELATED PAPERS.	
FILE NO.	SUBJECT.

7414. By Authority: L. F. Johnston, Commonwealth Government Printer, Canberra.

National Archives of Australia NAA: A6740, EGYPT

Canberra.

CONFIDENTIAL

E G Y P T

ECONOMIC REPORT FOR DECEMBER, 1945, PREPARED BY THE COUNSELLOR (COMMERCIAL) TO H.M. EMBASSY AT CAIRO.

1. General Credit Position.

There was a further rise of £.E. 2½ millions in the Note Issue during November, 1945, briging the total at the end of that month to £E. 147,500,000. This compares with £E. 120,000,000 at the end of November, 1944, and £E. 98,700,000 a year earlier.

2. Stock Exchanges.

(a) Share and Bond Values on Local Markets.
(Index: Banque Belge et Internationale en Egypte).

(i) Equities:-

	November, 1945					Highest and Lowest Indices in 1940/45.	
	2nd	9th	16th	23rd	30th	Highest	Lowest
Five Banks	189.7	189.3	191.0	189.4	189.8	191.0	77.5
Six Public Enterprise Cos.	191.2	192.2	192.8	192.0	192.7	192.8	72.6
Twelve Land & Bldg. Cos.	304.7	301.3	301.1	303.0	308.8	308.8	79.1
Twenty Industrial Cos.	253.8	251.6	251.9	251.0	254.5	254.5	78.9
GENRAL INDEX OF SHARES	227.4	226.2	227.0	226.2	228.4	228.4	78.9

(ii) Fixed Interest:-

	2nd	9th	16th	23rd	30th	Highest	Lowest
Six Government & Municipality Funds	108.2	108.2	107.3	107.4	107.9	140.9	90.2
Nine Mortgage Company Stocks.	119.2	119.2	118.2	117.3	120.5	139.6	92.3
Five other Companies	169.1	169.2	169.2	169.2	166.7	179.0	97.9
GENERAL INDEX OF BONDS	113.4	113.4	112.6	112.5	113.3	141.8	96.5

These indices compare with the Bourse quotations of the 1st January, 1940 represented by the number 100.

After several months of firm conditions and rising prices, December 1945 saw the beginning of a downward trend in the market and many of the principal shares were marked down.

Closing quotations of the 28th December 1945 for the shares listed in the preceding report were as follows:-

	30.11.45 PT.	28.12.45. PT.
National Loan 3½%	10800	10785
National Bank of Egypt	4900	4850
Misr Bank	2780	2694
Filature Nationale d'Egypte	2660	2514
Société Misr pour la Filature	2616	2580
Anglo-Egyptian Oilfields	589	610
Sugar Company Founders	2440	2180

(b) New Companies Formed. Nil.

DEPARTMENT OF EXTERNAL AFFAIRS
26 FEB 1946
No.

National Archives of Australia NAA: A6740, EGYPT

(c) Capital Increases.

Société des Biens de Rapport d'Egypte, S.A.E. - Capital increased from £.E.57,444 to £.E.150,000.

3. Budget

(a) As previously reported.

(b) The following are provisional figures of Government revenue and expenditure for the first seven months of the financial years 1944/45 and 1945/46:-

	May/Nov. 1944 £.E.	May/Nov. 1945 £.E.
Revenue	46,321,000	53,501,000
Expenditure	34,184,000	39,806,000
Supplementary Expenditure	1,204,000	340,000

(c) Customs and excise receipts for the eight months May/December, 1945, with comparative figures for 1944, were as follows:-

May/December, 1944	May/December, 1945	Increase
£.E.18,799,000	£.E.23,405,000	£.E.4,606,000

4. Price Levels. As previously reported.

5. Commercial Payments.
6. Exchange.
7. Clearings.

No change to report.

8. Foreign Trade.

(A) Total Trade. (excluding bullion and specie).

	Jan/Nov. 1944 £.E.	Jan/Nov. 1945 £.E.	
Imports	45,700,000	52,542,000	+ 6,842,000
Exports and Re-exports.	24,969,000	43,235,000	+ 18,266,000
Trade Balance	- 20,731,000	- 9,307,000	

(B) Imports into Egypt for the month of November, 1945, totalled £.E.5,403,000, the chief supplying countries being the United Kingdom £.E.132,000; the U.S.A. £.E.778,000; Chile £.E.715,000; Turkey £.E.379,000; Canada £.E.309,000; Iraq £.E.302,000; South Africa £.E.294,000; India £.E.234,000; and Switzerland £.E.212,000.

National Archives of Australia NAA: A6740, EGYPT

Imports from the principal suppliers for the eleven months ending November 1944 and 1945 were valued as follows:-

	Jan/Nov. 1944 £.E.	Jan/Nov. 1945 £.E.
United Kingdom	5,432,000	9,380,000
U.S.A.	6,077,000	7,620,000
Iraq	3,676,000	4,572,000
Turkey	3,939,000	4,288,000
Iran	5,482,000	4,238,000
Canada	1,971,000	3,240,000
Chile	4,140,000	2,795,000
India	3,338,000	2,637,000
South Africa	1,937,000	2,324,000
Palestine	2,063,000	1,755,000
Cyprus	1,342,000	1,481,000
Other Countries in Asia	264,000	1,130,000
Other British Possessions in Asia	1,259,000	1,046,000

(C) Exports for November, 1945 were valued at £E.,2,415,000, the principal purchasing countries being the United Kingdom 1,187,000; India £.E.603,000; the U.S.A. £.E.300,000.

For the eleven months ending November, 1944 and 1945, exports to the leading purchasing countries were as under:-

	Jan/Nov. 1944 £.E.	Jan/Nov. 1945 £.E.
United Kingdom	6,226,000	10,867,000
India	7,763,000	8,517,000
France	-	6,997,000
Ceylon	1,218,000	3,181,000
U.S.A.	1,447,000	2,705,000
Syria	158,000	993,000
Palestine	1,224,000	941,000
Cyprus	263,000	614,000

9. Customs and Excise duties. No changes to report.

10. Cotton.

Raw cotton exports during December, 1945, totalled only about 20,000 bales, bringing the total for the season up to 117,545 bales, compared with 132,341 bales during the corresponding period of 1944. Details are as follows:-

1.9.44 to 3.1.45 Bales	Country	1.9.45 to 2.1.46 Bales.	Inc. (+) or Dec. (-) in 1945-46 Bales
102,604	United Kingdom	62,026	- 40,578
26,396	India	12,868	- 13,527
563	Australia	-	- 563
-	Belgium	1,200	+ 1,200
-	France	12,097	+ 12,097
-	Italy	1,300	+ 1,300
111	Palestine	772	+ 661
2,668	Portugal	1,505	- 1,163
-	Sweden	12	+ 12
-	Switzerland	7,223	+ 7,223
-	Syria	2,625	+ 2,625
-	U.S.A.	11,845	+ 11,845
-	Other Countries	4,072	+ 4,072
132,341	TOTAL	117,545	- 14,796

National Archives of Australia NAA: A6740, EGYPT

Decree-Law No.116 of the 4th October (which was only promulgated in the French "Journal Officiel" of the 8th December, authorised the Government to utilize £.E.20,000,000 from the General Reserve Fund for the purchase of cotton from the 1945 crop and for the purchase of wheat. Up to the 8th December, the Government had purchased 172,241 bales of cotton under their minimum price guarantee, and had taken delivery of 108,129 bales, the greater part being "Karnak".

Following a debate in the Chamber of Deputies on cotton pressing and ginning charges, the Minister for Finance stated that the Government was considering the possibility of lowering still further these charges. Later, when receiving a deputation of cotton cultivators from Upper Egypt, he said that he would give careful consideration to their suggestions for a solution of the cotton crisis, particularly as regards the abolition of the export tax on the 1944 crop and the encouragement of barter trade in cotton with countries able to supply Egypt with commodities which she required, such as textiles and timber.

11. Cereals.

The first official estimate issued by the Ministry of Agriculture gives the following figures of the 1945 maize (Nili), millet (Nili), and rice (Seifi and Nili) crops, comparative figures for 1944 being given in brackets:-

Maize (Nili)	11,906,000 ardebs	(10,911,000).
Millet (Nili)	441,000 "	(366,000).
Rice (Seifi and Nili).	904,000 daribas	(862,000).

12. Miscellaneous.

The United Kingdom Goodwill Trade Mission left for the United Kingdom on the 20th December at the conclusion of their four weeks stay in Egypt. The Mission covered a very wide field of investigation in the relatively short time at their disposal and their visit can be regarded as successful.

An agreement was reached with the Egyptian Government during the month for the extension of the Hard Currency Agreement to the 31st March, 1946. The agreement provides for the additional allocation of £.E.3,000,000 in hard currencies to cover the period of three months.

The question of Egypt's sterling balances has been widely discussed recently both in Parliament and in the local press. Speaking in the Senate on the 23rd December, the Minister for Finance stated that the Egyptian Government were asking His Majesty's Government to fix a date for Negotiations to begin between the two Governments with a view to finding a solution to the problem. Egypt, he said, wished to come to an agreement with Britain on the question before the Bretton Woods Agreement comes into force in March, 1946. He appears to have repeated on several occasions that Egypt would never agree to the decrease of its balances in London. To form an accurate estimate of the latter, an official census is to be taken of all public and private holdings by residents in Egypt as at the 31st December, 1945, under an Order No.120 of 1945 issued by the Minister for Finance.

Law No.122 of 1945 published on the 25th December announced the adherence of Egypt to the Agreement signed on the 22nd July, 1944 concerning the United Nations Monetary and Financial Conference held at Bretton Woods and authorised the Government to pay its share in gold and currency to the Central Fund. The execution of the agreement will be entrusted to the National Bank of Egypt under direction from the Minister for Finance.

Following the recent resolution adopted by the Arab League for the boycott of Palestinian Jewish goods, a Ministerial Order No.121 of 1945 was published on the 31st December, under which all imports into Egypt from Palestine, whether of Palestinian origin or not, are prohibited, except by special authorisation of the Minister of Finance. The order came into force on the 1st January, 1946.

Note:-

1 cantar = 45 kilogrammes	=	100 lbs. approx.
1 Alexandria cotton bale	=	736 lbs. nett = 758 lbs. gross
1 ardeb of maize	=	140 kilogrammes.
1 ardeb of wheat	=	150 kilogrammes.
1 feddan	=	1.038 acres.

National Archives of Australia NAA: A6740, EGYPT

Canberra.

CONFIDENTIAL

TO BE RETURNED TO THE DEPARTMENT OF EXTERNAL AFFAIRS

EGYPT

ECONOMIC REPORT FOR DECEMBER, 1945, PREPARED BY THE COUNSELLOR (COMMERCIAL) TO H.M. EMBASSY AT CAIRO.

DEPARTMENT OF EXTERNAL AFFAIRS
2 6 FEB 1946
No.

1. General Credit Position.

There was a further rise of £.E. 2½ millions in the Note Issue during November, 1945, briging the total at the end of that month to £E. 147,500,000. This compares with £E. 120,000,000 at the end of November, 1944, and £E. 98,700,000 a year earlier.

2. Stock Exchanges.

(a) Share and Bond Values on Local Markets.
(Index: Banque Belge et Internationale en Egypte).

(i) Equities:-

	November, 1945					Highest and Lowest Indices in 1940/45.	
	2nd	9th	16th	23rd	30th	Highest	Lowest
Five Banks	189.7	189.3	191.0	189.4	189.8	191.0	77.5
Six Public Enterprise Cos.	191.2	192.2	192.8	192.0	192.7	192.8	72.6
Twelve Land & Bldg. Cos.	304.7	301.3	301.1	303.0	308.8	308.8	79.1
Twenty Industrial Cos.	253.8	251.6	251.9	251.0	254.5	254.5	78.9
GENRAL INDEX OF SHARES	227.4	226.2	227.0	226.2	228.4	228.4	78.9

(ii) Fixed Interest:-

	2nd	9th	16th	23rd	30th	Highest	Lowest
Six Government & Municipality Funds	108.2	108.2	107.3	107.4	107.9	140.9	90.2
Nine Mortgage Company Stocks.	119.2	119.2	118.2	117.3	120.5	139.6	92.3
Five other Companies	169.1	169.2	169.2	169.2	166.7	179.0	97.9
GENERAL INDEX OF BONDS	113.4	113.4	112.6	112.5	113.3	141.8	96.5

These indices compare with the Bourse quotations of the 1st January, 1940 represented by the number 100.

After several months of firm conditions and rising prices, December 1945 saw the beginning of a downward trend in the market and many of the principal shares were marked down.

Closing quotations of the 28th December 1945 for the shares listed in the preceding report were as follows:-

	30.11.45 PT.	28.12.45. PT.
National Loan 3½%	10800	10785
National Bank of Egypt	4900	4850
Misr Bank	2780	2694
Filature Nationale d'Egypte	2660	2514
Société Misr pour la Filature	2616	2580
Anglo-Egyptian Oilfields	589	610
Sugar Company Founders	2440	2180

(b) New Companies Formed. Nil.

48138-1

National Archives of Australia NAA: A6740, EGYPT

(c) Capital Increases.

Société des Biens de Rapport d'Egypte, S.A.E. - Capital increased from £.E.57,444 to £.E.150,000.

3. Budget

(a) As previously reported.

(b) The following are provisional figures of Government revenue and expenditure for the first seven months of the financial years 1944/45 and 1945/46:-

	May/Nov. 1944 £.E.	May/Nov. 1945 £.E.
Revenue	46,321,000	53,501,000
Expenditure	34,184,000	39,806,000
Supplementary Expenditure	1,204,000	340,000

(c) Customs and excise receipts for the eight months May/December, 1945, with comparative figures for 1944, were as follows:-

May/December, 1944	May/December, 1945	Increase
£.E.18,799,000	£.E.23,405,000	£.E.4,606,000

4. Price Levels. As previously reported.

5. Commercial Payments.
6. Exchange. } No change to report.
7. Clearings.

8. Foreign Trade.

(A) Total Trade. (excluding bullion and specie).

	Jan/Nov. 1944 £.E.	Jan/Nov. 1945 £.E.	
Imports	45,700,000	52,542,000	+ 6,842,000
Exports and Re-exports.	24,969,000	43,235,000	+ 18,266,000
Trade Balance	- 20,731,000	- 9,307,000	

(B) Imports into Egypt for the month of November, 1945, totalled £.E.5,403,000, the chief supplying countries being the United Kingdom £.E.132,000; the U.S.A. £.E.778,000; Chile £.E.715,000; Turkey £.E.379,000; Canada £.E.309,000; Iraq £.E.302,000; South Africa £.E.294,000; India £.E.234,000; and Switzerland £.E.212,000.

National Archives of Australia NAA: A6740, EGYPT

Imports from the principal suppliers for the eleven months ending November 1944 and 1945 were valued as follows:-

	Jan/Nov. 1944 £.E.	Jan/Nov. 1945 £.E.
United Kingdom	5,432,000	9,380,000
U.S.A.	6,077,000	7,620,000
Iraq	3,676,000	4,572,000
Turkey	3,939,000	4,288,000
Iran	5,482,000	4,238,000
Canada	1,971,000	3,240,000
Chile	4,140,000	2,795,000
India	3,338,000	2,637,000
South Africa	1,937,000	2,324,000
Palestine	2,063,000	1,755,000
Cyprus	1,342,000	1,481,000
Other Countries in Asia	264,000	1,130,000
Other British Possessions in Asia	1,259,000	1,046,000

(c) Exports for November, 1945 were valued at £E.,2,415,000, the principal purchasing countries being the United Kingdom 1,187,000; India £.E.603,000; the U.S.A. £.E.300,000.

For the eleven months ending November, 1944 and 1945, exports to the leading purchasing countries were as under:-

	Jan/Nov. 1944 £.E.	Jan/Nov. 1945 £.E.
United Kingdom	6,226,000	10,867,000
India	7,763,000	8,517,000
France	-	6,997,000
Ceylon	1,218,000	3,181,000
U.S.A.	1,447,000	2,705,000
Syria	158,000	993,000
Palestine	1,224,000	941,000
Cyprus	263,000	614,000

9. Customs and Excise duties. No changes to report.

10. Cotton.

Raw cotton exports during December, 1945, totalled only about 20,000 bales, bringing the total for the season up to 117,545 bales, compared with 132,341 bales during the corresponding period of 1944. Details are as follows:-

1.9.44 to 3.1.45 Bales	Country	1.9.45 to 2.1.46 Bales.	Inc. (+) or Dec. (-) in 1945-46 Bales
102,604	United Kingdom	62,026	- 40,578
26,396	India	12,868	- 13,527
563	Australia	-	- 563
-	Belgium	1,200	+ 1,200
-	France	12,097	+ 12,097
-	Italy	1,300	+ 1,300
111	Palestine	772	+ 661
2,668	Portugal	1,505	- 1,163
-	Sweden	12	+ 12
-	Switzerland	7,223	+ 7,223
-	Syria	2,625	+ 2,625
-	U.S.A.	11,845	+ 11,845
-	Other Countries	4,072	+ 4,072
132,341	TOTAL	117,545	- 14,796

National Archives of Australia NAA: A6740, EGYPT

Decree-Law No. 116 of the 4th October (which was only promulgated in the French "Journal Officiel" of the 8th December, authorised the Government to utilize £.E. 20,000,000 from the General Reserve Fund for the purchase of cotton from the 1945 crop and for the purchase of wheat. Up to the 8th December, the Government had purchased 172,241 bales of cotton under their minimum price guarantee, and had taken delivery of 108,129 bales, the greater part being "Karnak".

Following a debate in the Chamber of Deputies on cotton pressing and ginning charges, the Minister for Finance stated that the Government was considering the possibility of lowering still further these charges. Later, when receiving a deputation of cotton cultivators from Upper Egypt, he said that he would give careful consideration to their suggestions for a solution of the cotton crisis, particularly as regards the abolition of the export tax on the 1944 crop and the encouragement of barter trade in cotton with countries able to supply Egypt with commodities which she required, such as textiles and timber.

11. Cereals.

The first official estimate issued by the Ministry of Agriculture gives the following figures of the 1945 maize (Nili), millet (Nili), and rice (Seifi and Nili) crops, comparative figures for 1944 being given in brackets:-

Maize (Nili)	11,906,000 ardebs	(10,911,000).
Millet (Nili)	441,000 "	(366,000).
Rice (Seifi and Nili).	904,000 daribas	(862,000).

12. Miscellaneous.

The United Kingdom Goodwill Trade Mission left for the United Kingdom on the 20th December at the conclusion of their four weeks stay in Egypt. The Mission covered a very wide field of investigation in the relatively short time at their disposal and their visit can be regarded as successful.

An agreement was reached with the Egyptian Government during the month for the extension of the Hard Currency Agreement to the 31st March, 1946. The agreement provides for the additional allocation of £.E. 3,000,000 in hard currencies to cover the period of three months.

The question of Egypt's sterling balances has been widely discussed recently both in Parliament and in the local press. Speaking in the Senate on the 23rd December, the Minister for Finance stated that the Egyptian Government were asking His Majesty's Government to fix a date for Negotiations to begin between the two Governments with a view to finding a solution to the problem. Egypt, he said, wished to come to an agreement with Britain on the question before the Bretton Woods Agreement comes into force in March, 1946. He appears to have repeated on several occasions that Egypt would never agree to the decrease of its balances in London. To form an accurate estimate of the latter, an official census is to be taken of all public and private holdings by residents in Egypt as at the 31st December, 1945, under an Order No. 120 of 1945 issued by the Minister for Finance.

Law No. 122 of 1945 published on the 25th December announced the adherence of Egypt to the Agreement signed on the 22nd July, 1944 concerning the United Nations Monetary and Financial Conference held at Bretton Woods and authorised the Government to pay its share in gold and currency to the Central Fund. The execution of the agreement will be entrusted to the National Bank of Egypt under direction from the Minister for Finance.

Following the recent resolution adopted by the Arab League for the boycott of Palestinian Jewish goods, a Ministerial Order No. 121 of 1945 was published on the 31st December, under which all imports into Egypt from Palestine, whether of Palestinian origin or not, are prohibited, except by special authorisation of the Minister of Finance. The order came into force on the 1st January, 1946.

Note:-

1 cantar = 45 kilogrammes	=	100 lbs. approx.
1 Alexandria cotton bale	=	736 lbs. nett = 758 lbs. gross
1 ardeb of maize	=	140 kilogrammes.
1 ardeb of wheat	=	150 kilogrammes.
1 feddan	=	1.038 acres.

National Archives of Australia NAA: A6740, EGYPT

CONFIDENTIAL

TO BE RETURNED TO THE
DEPARTMENT OF EXTERNAL AFFAIRS

EGYPT

Economic Report for November 1945 prepared by the Counsellor (Commercial) to H.M. Embassy at Cairo

1. General Credit Position

As previously reported.

The position of the cover for the Note Issue as at the 31st October, 1945 was as follows compared with a year ago:-

31.10.1944 £E.		31.10.1945 £E.	Percentage of Cover
6,240,583	Gold	6,240,583	4.30%
110,759,417	British Treasury Bonds, Egyptian Government Bonds, British Treasury Bills and War Loan.	138,759,417	95.70%
117,000,000	Notes issued	145,000,000	100.00%

2. Stock Exchanges

(a) Share and Bond Values on Local Markets
(Index: Banque Belge et Internationale en Egypte)

(i) Equities:-

	October 1945				Highest & Lowest Indices in 1940/45	
	5th	12th	19th	26th	Highest	Lowest
Five Banks	186.0	186.9	188.0	190.0	190.0	77.5
Six Public Enterprise Companies	185.9	186.8	188.5	190.8	190.8	72.6
Twelve Land & Building Companies	280.8	284.8	292.5	306.6	306.6	79.1
Twenty Industrial Companies	238.0	242.7	244.1	252.8	252.8	78.9
GENERAL INDEX OF SHARES	216.6	219.0	221.4	227.3	227.3	78.9

(ii) Fixed Interest:-

	October, 1945					
	5th	12th	19th	26th	Highest	Lowest
Six Government & Municipal Funds	108.1	108.2	108.4	106.9	140.9	90.2
Nine Mortgage Company Stocks	119.0	118.8	119.2	119.2	139.6	92.3
Five other companies	166.7	168.2	168.3	169.1	179.0	97.9
GENERAL INDEX OF BONDS	113.2	113.3	113.5	112.4	141.8	96.5

47951-4

National Archives of Australia NAA: A6740, EGYPT

These figures compare with the Bourse quotations of the 1st January, 1940, represented by the number 100.

During the first half of November, the market showed signs of a downward trend, but made a quick recovery and conditions remained firm for the remainder of the month.

Closing quotations on the 30th November, 1945 for the shares listed in the preceding report were as follows:-

	31.10.1945	30.11.1945
National Loan 3¼%	10,740 ex-div.	10,800
National Bank of Egypt	4,986	4,900
Misr Bank	2,700	2,780
Filature Nationale d'Egypte	2,674	2,660
Société Misr pour la Filature etc.	2,614	2,616
Anglo-Egyptian Oilfields	650	589
Sugar Company Fdrs.	2,500	2,440

(b) New Companies formed

Al-Assouaf, S.A.E.	Capital £E.25,000
National Starch Co. S.A.E.	Capital £E.100,000
Société Nationale de Tourisme "Karnak" S.A.E.	Capital £E.100,000

(c) Capital increases

Manufacture Nationale de Couvertures (A. Saltiel & Co.)
Capital increased from £E.100,000 to £E.150,000.

3. Budget

(a) As previously reported.

(b) As previously reported.

(c) Customs and Excise receipts for the seven months May/November 1945, with comparative figures for the corresponding period of 1944, were as under:-

May/November 1944	May/November 1945	Increase
£E.16,175,000	£E.20,109,000	£E.3,934,000

4. Price Levels

As previously reported.

5. Commercial Payments
6. Exchange
7. Clearings

No changes to report

8. Foreign Trade

(a) Total Trade (excluding bullion and specie)

	Jan/Oct. 1944 £E.	Jan/Oct. 1945 £E.	Inc. (+) or Dec. (-) in 1945
Imports	39,863,000	47,139,000	+ 7,276,000
Exports and Re-Exports	22,821,000	40,659,000	+ 17,838,000
Trade Balance	- 17,042,000	- 6,480,000	

(b) Imports for the months of October 1945 were valued at £E.6,023,000, the principal supplying countries being the United Kingdom £E.1,451,000; the U.S.A. £E.871,000; Cyprus £E.532,000; India £.503,000; Turkey £E.387,000; Iran £E.369,000; Iraq £E.363,000.

National Archives of Australia NAA: A6740, EGYPT

For the ten months ending October, 1944 and 1945, imports from the principal supplying countries were as under:-

	Jan./Oct. 1944 £E.	Jan./Oct. 1945 £E.
United Kingdom	5,044,000	8,248,000
U.S.A.	5,745,000	6,842,000
Iran	4,790,000	4,135,000
Iraq	3,304,000	4,270,000
Turkey	3,534,000	3,909,000
Canada	1,664,000	2,931,000
India	2,801,000	2,403,000
South Africa	1,794,000	2,030,000
Chile	2,394,000	2,080,000
Palestine	1,960,000	1,613,000
Cyprus	1,266,000	1,481,000
Other British Possessions in Asia	1,166,000	1,046,000
Other Countries in Asia	58,000	1,130,000

(c) Exports for October 1945, totalled £E.2,462,000, the principal purchasing countries being the United Kingdom £E.842,000; Switzerland £E.452,000; and Poland £E.144,000.

For the periods January/October 1944 and 1945 exports to the leading purchasing countries were as follows:-

	Jan./Oct. 1944 £E.	Jan./Oct. 1945 £E.
United Kingdom	5,383,000	9,680,000
India	7,350,000	7,914,000
France	-	6,997,000
Ceylon	1,081,000	3,181,000
U.S.A.	1,431,000	2,405,000
Syria	148,000	924,000
Palestine	1,178,000	896,000

9. Customs and Excise Tariff. No changes to report.

10. Cotton

Exports for November totalled about 55,000 bales bringing the total for the season up to 97,938 bales, compared with 49,871 bales during the corresponding period of 1944. Details of exports were as follows:-

1.9.1944 to 29.11.1944 Bales	Country	1.9.1945 to 28.11.1945 Bales	Inc. (+) or Dec. (-) in 1945/46 Bales
35,787	United Kingdom	53,369	+ 17,582
11,873	India	8,586	- 3,287
563	Australia	-	- 563
-	France	9,897	+ 9,897
-	Italy	1,300	+ 1,300
111	Palestine	331	+ 220
1,537	Portugal	1,505	- 32
-	Sweden	12	+ 12
-	Switzerland	7,223	+ 7,223
-	Syria	2,200	+ 2,200
-	U.S.A.	9,745	+ 9,745
-	Other countries	3,770	+ 3,770
49,871	TOTAL	97,938	+ 48,067

47951-4

National Archives of Australia NAA: A6740, EGYPT

11. Cereals

Final estimates of the 1945 maize (Seifi) and millet (Seifi) crops have been issued and are as follows:-

Maize (Seifi)	162,000 ardebs
Millet (Seifi)	4,798,000 "

The following estimates of certain other crop areas were also announced:-

	1945 acreage Feddans	1944 acreage Feddans
Maize (Nili)	1,846,718	1,850,828
Millet (Nili)	80,707	73,372
Rice	630,255	619,770
Sugar cane	92,335	95,595

12. Miscellaneous

An acute shortage of newsprint occurred during the month, owing to delays in shipments. The loan of 75 tons from British sources and the arrival of one cargo has temporarily tided over the difficulty, but the Egyptian Prime Minister has made urgent representations to the Embassy for additional supplies of newsprint, which have been reported to London for whatever action may be possible.

The problem of double taxation has recently caused two United Kingdom registered companies operating in Egypt to transfer their head offices to this country.

Public telephonic communication between London and Cairo was officially re-established in November.

Negotiations were opened during the month with the Egyptian Government for the renewal of the Hard Currency Agreement, due to expire on the 31st December 1945, for a further period of three months.

It has been decided as an experiment to cancel the rationing of Kerosene in the Keneh and Aswan provinces.

The United Kingdom Goodwill Trade Mission arrived in Egypt on the 25th November. They carried out a very full programme and made contact with the Egyptian Cabinet and the principal Egyptian Government Departments, Egyptian and British Chambers of Commerce, and with local commercial, industrial and agricultural establishments.

Under Ministerial Order No. 106 published in the "Journal Officiel" of the 22nd November, all goods frm the United Kingdom and other countries in the sterling area, with the exception of those articles on the "short list", were exempted from import licensing procedure.

National Archives of Australia NAA: A6740, EGYPT

CONFIDENTIAL

E G Y P T

Economic Report for November 1945 prepared by the Counsellor (Commercial) to H.M. Embassy at Cairo

1. General Credit Position

As previously reported.

The position of the cover for the Note Issue as at the 31st October, 1945 was as follows compared with a year ago:-

31.10.1944 £E.		31.10.1945 £E.	Percentage of Cover
6,240,583	Gold	6,240,583	4.30%
110,759,417	British Treasury Bonds, Egyptian Government Bonds, British Treasury Bills and War Loan.	138,759,417	95.70%
117,000,000	Notes issued	145,000,000	100,00%

2. Stock Exchanges

(a) Share and Bond Values on Local Markets
(Index: Banque Belge et Internationale en Egypte)

(i) Equities:-

	October 1945				Highest & Lowest Indices in 1940/45	
	5th	12th	19th	26th	Highest	Lowest
Five Banks	186.0	186.9	188.0	190.0	190.0	77.5
Six Public Enterprise Companies	185.9	186.8	188.5	190.8	190.8	72.6
Twelve Land & Building Companies	280.8	284.8	292.5	306.6	306.6	79.1
Twenty Industrial Companies	238.0	242.7	244.1	252.8	252.8	78.9
GENERAL INDEX OF SHARES	216.6	219.0	221.4	227.3	227.3	78.9

(ii) Fixed Interest:-

	October, 1945					
	5th	12th	19th	26th	Highest	Lowest
Six Government & Municipal Funds	108.1	108.2	108.4	106.9	140.9	90.2
Nine Mortgage Company Stocks	119.0	118.8	119.2	119.2	139.6	92.3
Five other companies	166.7	168.2	168.3	169.1	179.0	97.9
GENERAL INDEX OF BONDS	113.2	113.3	113.5	112.4	141.8	96.5

47951-4

National Archives of Australia NAA: A6740, EGYPT

These figures compare with the Bourse quotations of the 1st January, 1940, represented by the number 100.

During the first half of November, the market showed signs of a downward trend, but made a quick recovery and conditions remained firm for the remainder of the month.

Closing quotations on the 30th November, 1945 for the shares listed in the preceding report were as follows:-

	31.10.1945	30.11.1945
National Loan 3¼%	10,740 ex-div.	10,800
National Bank of Egypt	4,986	4,900
Misr Bank	2,700	2,780
Filature Nationale d'Egypte	2,674	2,660
Société Misr pour la Filature etc.	2,614	2,616
Anglo-Egyptian Oilfields	650	589
Sugar Company Fdrs.	2,500	2,440

(b) New Companies formed

Al-Assouaf, S.A.E.	Capital £E.25,000
National Starch Co. S.A.E.	Capital £E.100,000
Société Nationale de Tourisme "Karnak" S.A.E.	Capital £E.100,000

(c) Capital increases

Manufacture Nationale de Couvertures (A. Saltiel & Co.)
Capital increased from £E.100,000 to £E.150,000.

3. Budget

(a) As previously reported.

(b) As previously reported.

(c) Customs and Excise receipts for the seven months May/November 1945, with comparative figures for the corresponding period of 1944, were as under:-

May/November 1944	May/November 1945	Increase
£E.16,175,000	£E.20,109,000	£E.3,934,000

4. Price Levels

As previously reported.

5. Commercial Payments
6. Exchange
7. Clearings

No changes to report

8. Foreign Trade

(a) Total Trade (excluding bullion and specie)

	Jan/Oct. 1944 £E.	Jan/Oct. 1945 £E.	Inc. (+) or Dec. (-) in 1945
Imports	39,863,000	47,139,000	+ 7,276,000
Exports and Re-Exports	22,821,000	40,659,000	+ 17,838,000
Trade Balance	- 17,042,000	- 6,480,000	

(b) Imports for the months of October 1945 were valued at £E.6,023,000, the principal supplying countries being the United Kingdom £E.1,451,000; the U.S.A. £E.871,000; Cyprus £E.532,000; India £.503,000; Turkey £E.387,000; Iran £E.369,000; Iraq £E.363,000.

National Archives of Australia NAA: A6740, EGYPT

For the ten months ending October, 1944 and 1945, imports from the principal supplying countries were as under:-

	Jan./Oct. 1944 £E.	Jan./Oct. 1945 £E.
United Kingdom	5,044,000	8,248,000
U.S.A.	5,745,000	6,842,000
Iran	4,790,000	4,135,000
Iraq	3,304,000	4,270,000
Turkey	3,534,000	3,909,000
Canada	1,664,000	2,931,000
India	2,801,000	2,403,000
South Africa	1,794,000	2,030,000
Chile	2,394,000	2,080,000
Palestine	1,960,000	1,613,000
Cyprus	1,266,000	1,481,000
Other British Possessions in Asia	1,166,000	1,046,000
Other Countries in Asia	58,000	1,130,000

(c) Exports for October 1945, totalled £E.2,462,000, the principal purchasing countries being the United Kingdom £E.842,000; Switzerland £E.452,000; and Poland £E.144,000.

For the periods January/October 1944 and 1945 exports to the leading purchasing countries were as follows:-

	Jan./Oct. 1944 £E.	Jan./Oct. 1945 £E.
United Kingdom	5,383,000	9,680,000
India	7,350,000	7,914,000
France	-	6,997,000
Ceylon	1,081,000	3,181,000
U.S.A.	1,431,000	2,405,000
Syria	148,000	924,000
Palestine	1,178,000	896,000

9. Customs and Excise Tariff. No changes to report.

10. Cotton

Exports for November totalled about 55,000 bales bringing the total for the season up to 97,938 bales, compared with 49,871 bales during the corresponding period of 1944. Details of exports were as follows:-

1.9.1944 to 29.11.1944 Bales	Country	1.9.1945 to 28.11.1945 Bales	Inc. (+) or Dec. (-) in 1945/46 Bales
35,787	United Kingdom	53,369	+ 17,582
11,873	India	8,586	- 3,287
563	Australia	-	- 563
-	France	9,897	+ 9,897
-	Italy	1,300	+ 1,300
111	Palestine	331	+ 220
1,537	Portugal	1,505	- 32
-	Sweden	12	+ 12
-	Switzerland	7,223	+ 7,223
-	Syria	2,200	+ 2,200
-	U.S.A.	9,745	+ 9,745
-	Other countries	3,770	+ 3,770
49,871	TOTAL	97,938	+ 48,067

47951-4

National Archives of Australia NAA: A6740, EGYPT

11. Cereals

Final estimates of the 1945 maize (Seifi) and millet (Seifi) crops have been issued and are as follows:-

Maize (Seifi)	162,000 ardebs
Millet (Seifi)	4,798,000 "

The following estimates of certain other crop areas were also announced:-

	1945 acreage Feddans	1944 acreage Feddans
Maize (Nili)	1,846,718	1,850,828
Millet (Nili)	80,707	73,372
Rice	630,255	619,770
Sugar cane	92,335	95,595

12. Miscellaneous

An acute shortage of newsprint occurred during the month, owing to delays in shipments. The loan of 75 tons from British sources and the arrival of one cargo has temporarily tided over the difficulty, but the Egyptian Prime Minister has made urgent representations to the Embassy for additional supplies of newsprint, which have been reported to London for whatever action may be possible.

The problem of double taxation has recently caused two United Kingdom registered companies operating in Egypt to transfer their head offices to this country.

Public telephonic communication between London and Cairo was officially re-established in November.

Negotiations were opened during the month with the Egyptian Government for the renewal of the Hard Currency Agreement, due to expire on the 31st December 1945, for a further period of three months.

It has been decided as an experiment to cancel the rationing of Kerosene in the Keneh and Aswan provinces.

The United Kingdom Goodwill Trade Mission arrived in Egypt on the 25th November. They carried out a very full programme and made contact with the Egyptian Cabinet and the principal Egyptian Government Departments, Egyptian and British Chambers of Commerce, and with local commercial, industrial and agricultural establishments.

Under Ministerial Order No. 106 published in the "Journal Officiel" of the 22nd November, all goods frm the United Kingdom and other countries in the sterling area, with the exception of those articles on the "short list", were exempted from import licensing procedure.

National Archives of Australia NAA: A6740, EGYPT

CONFIDENTIAL

E G Y P T

Economic Report for October, 1945, prepared by the Counsellor (Commercial) to His Majesty's Embassy at Cairo

---

1. General Credit Position

There was a further considerable rise of £E.12 millions in the total of the note issue during October, presumably due to the commencement of purchases of cotton by the Egyptian Government under its guarantee to accept all cotton offered to it at the fixed minimum prices. This brought the total of the issue of £E.145 millions, compared with £E.117 millions at the end of October 1944 and £E.95.6 millions a year earlier.

2. Stock Exchanges

(a) Share and Bond Values on Local Markets
(Index: Banque Belge et Internationale en Egypte).

(i) Equities:-

	September, 1945				Highest & Lowest Indices in 1940/45	
	6th	14th	21st	28th	Highest	Lowest
Five Banks	185.8	187.3	186.8	186.4	187.3	77.5
Six Public Enterprise Companies	186.1	186.1	185.5	185.9	187.2	72.6
Twelve Land and Building Companies	280.6	280.3	277.9	276.5	280.6	79.1
Twenty Industrial Companies	232.7	235.7	240.0	240.0	240.1	78.9
GENERAL INDEX OF SHARES:	214.7	216.3	217.1	216.9	217.1	90.2

(ii) Fixed Interest

	September, 1945				Highest & Lowest Indices in 1940/45	
	6th	14th	21st	28th	Highest	Lowest
Six Government and Municipal Funds	107.1	107.0	108.2	108.0	140.9	90.2
Nine Mortgage Company Stocks	127.0	126.5	126.9	126.6	139.6	92.3
Five Other Companies	156.8	156.8	172.8	170.0	179.0	97.9
GENERAL INDEX OF BONDS:	112.7	112.6	114.6	114.2	141.8	96.5

These figures compare with the Bourse quotations of the 1st January, 1940, represented by the number 100.

Following a slight weakness in the market during the first two weeks of October, conditions during the remainder of the month were firm and rises in quotations were general. There was again a large demand for Anglo-Egyptian Oilfields shares, bringing about an increase of £.1 per share during the month. Other important share increases were in Land and Misr Banks, the two main textile companies, and Heliopolis Founders.

National Archives of Australia NAA: A6740, EGYPT

Closing quotations on the 31st October for the shares listed in the preceding report were as follows:-

	28.9.45 PT	31.10.45 PT	
National Loan 3¼%	10,800	10,740	ex Div.
National Bank of Egypt	4,974	4,986	
Misr Bank	2,528	2,700	
Filature Nationale d'Egypte	2,614	2,674	
Soc. Misr pour la Filature, &c.	2,536	2,614	
Anglo-Egyptian Oilfields	561	650	
Sugar Company Founders	2,590	2,500	

(b) New Companies Formed

	Capital £E
United Cold Storage Company, S.A.E.	25,000
Société Fayoum-Beni Souef de Transport S.A.E.	13,364
Al-Ahram, S.A.E.	80,000

(c) Capital Increases

	Capital Increased From : £E.	To : £E
Egyptian Rice Mill, S.A.E.	20,000	100,000
Misr Concrete Development Co. S.A.E.	30,000	50,000
General Society for Banking, Trading and Land Enterprises, S.A.E.	30,000	75,000

3. Budget

(a) As previously reported.

(b) As previously reported.

(c) Customs and Excise receipts for the half-year May/October, 1945, with comparative figures for the corresponding period of 1944, were as under:-

May/Oct. 1944	May/Oct. 1945	Increase
£E.13,621,000	£E.16,829,000	£E.3,208,000

4. Price Levels

The following table gives the index numbers of wholesale prices of twenty-six principal commodities in Cairo and Alexandria markets (1913/1914 = 100):-

	CAIRO			ALEXANDRIA		
	1943	1944	1945	1943	1944	1945
April	220.-	255.-	267.6	216.-	255.-	268.7
May	223.-	259.-	262.4	217.-	255.-	260.4
June	221.-	265.-	265.6	221.-	260.-	258.9
July	224.-	267.-	275.4	223.-	265.5	267.7
August	228.-	281.-	269.-	225.-	277.-	270.7
Sept.	237.-	275.-	266.-	232.-	272.-	268.2

National Archives of Australia NAA: A6740, EGYPT

The movement of the index numbers of wholesale prices and the cost of living since September 1939 is shown in the following table (Basis, June/August 1939 = 100):-

	Wholesale Prices	Cost of Living
September 1939	109	103
December 1940	143	122
December 1941	182.5	156
December 1942	251	215
December 1943	292.7	257.2
December 1944	330.3	292.2
June 1945	325.1	290
September 1945	330.3	297.7

5. Commercial Payments
6. Exchange
7. Clearings

No changes to report.

8. Foreign Trade

(A) Total Trade (excluding bullion and specie).

	Jan./Sept. 1944 £E.	Jan./Sept. 1945 £E.	Inc. (+) or Dec. (-) in 1944-1945 £E.
Imports	35,769,000	41,116,000	+ 5,347,000
Exports & Re-exports	20,604,000	37,784,000	+17,180,000
TRADE BALANCE :	- 15,165,000	- 3,332,000	

(B) September imports were valued at £E.5,185,000, the principal suppliers being Chile (£E.883,000), the U.S.A. (£E.798,000), the United Kingdom (£E.775,000), Iraq (£E.459,000), Iran (£E.395,000), India (£E.384,000), and Turkey (£E.376,000).

For the first nine months of 1944 and 1945 imports from the leading supplying countries were as under:-

	Jan/Sept. 1944 £E.	Jan/Sept. 1945 £E.
United Kingdom,	4,301,000	6,797,000
U.S.A.	4,985,000	5,971,000
Iraq	2,894,000	3,906,000
Iran	4,554,000	3,765,000
Turkey	3,094,000	3,521,000
Canada	1,348,000	2,740,000
Chile	2,394,000	2,080,000
India	2,543,000	1,901,000
South Africa	1,675,000	1,817,000
Palestine	1,793,000	1,407,000

(C) Exports during September totalled only £E.1,732,000, due to a considerable falling-off in shipments of cotton as compared with preceding months. France was the principal customer with £E.611,000, followed by the U.S.A. (£E.338,000), Ceylon (£E.280,000), the United Kingdom (£E.135,000), and Portugal (£E.104,000).

National Archives of Australia NAA: A6740, EGYPT

For the periods Jan/September 1944 and 1945 exports to the leading purchasing countries were as follows:-

	Jan/Sept. 1944 £E.	Jan/Sept. 1945 £E.
United Kingdom	4,563,000	8,838,000
India	6,827,000	7,894,000
France	-	6,997,000
Ceylon	1,050,000	3,083,000
U.S.A.	1,406,000	2,317,000
Syria	131,000	867,000
Palestine	1,077,000	831,000

9. Customs and Excise Tariff

By decree dated the 30th October, the consumption or excise duty leviable on imported or locally produced raw or refined sugar has been increased to £E.16 per metric ton. This represents an increase of £E.4.400 m/ms. per ton, since the previous duty was £E.12 per ton plus 10% supplementary duty, and the latter percentage duty has again to be added to the new rate of £E.16. The consumption or excise duty on candy sugar is raised by the same decree from £E.13 to £E.17 per metric ton (plus the same supplementary duty).

10. Cotton

Cotton exports for the first two months of the 1945-1946 season totalled 42,573 bales, compared with 27,927 bales in the corresponding two months last year. Details are as follows:-

1st Sept. 1944 to 1st Nov. 1944 Bales	Country	1st Sept. 1945 to 31st Oct. 1945 Bales	Inc. (+) or Dec. (-) in 1945-1946 Bales
19,537	United Kingdom	18,859	- 678
7,462	India	-	- 7,462
-	France	9,897	+ 9,897
-	Italy	1,300	+ 1,300
63	Palestine	320	+ 257
865	Portugal	1,505	+ 640
-	Sweden	12	+ 12
-	Syria	1,300	+ 1,300
-	U.S.A.	5,675	+ 5,675
-	Other Countries	3,705	+ 3,705
27,927	Total	45,573	+ 14,646

11. Cereals

The Cereals Committee of the London Food Council has recommended to the Combined Food Board the allocation to Egypt of 77,000 tons of imported wheat on the understanding that the entire 1945 surplus of Egyptian rice, estimated at not less than 150,000 tons should be made available to His Majesty's Government at a price based on the same price to the cultivator last year. This has been agreed to by the Egyptian Government and representatives of the British Ministry of Food have arrived here to conduct the purchases of rice. Legislation has been issued fixing the rice price at £E.16 per dariba, the same as last year, and requisitioning for the Egyptian Government from the cultivators an estimated quantity of 250,000 daribas.

The legal price of bread has been reduced by one millieme from 6 to 5 milliemes per loaf. This is estimated to cost the Government £E. 4 millions.

The Ministery of Agriculture announced in the Senate on the 16th October that the cropping legislation already promulgated for the coming season must stand.

National Archives of Australia NAA: A6740, EGYPT

He added that the Government would purchase its requirements from the next year's wheat crop at PT. 350 per ardeb for Hindi wheat and PT.320 per ardeb for Baladi wheat, i.e. the legal prices at which the Government would requisition. He also announced that the Government would not requisition barley or fix any legal price for barley. This is the first time that the Egyptian Government have reduced the legal wheat price since the system of price fixation was introduced. For the past two seasons the level has only with difficulty been kept downto PT.400 per ardeb for Hindi and PT.385 per ardeb for Baladi wheat. It therefore represents a welcome development which may be expected to have a real effect on the general cost of living next year. It will also be interesting to see the result of releasing barley from price control. Last season's legal barley price proved to be too high, as the Government found to its cost when purchasing for flour adulteration purposes.

12. Miscellaneous

Simultaneous announcements were made on the 30th October by the British Middle East Office and the United States Legation regarding the dissolution of the Middle East Supply Centre as from the 1st November, drawing attention to the fact that with the exception of a "Short List" of some forty-one commodities, imports would be subject to no control other than such import control as local governments in the Middle East may apply. The British announcement advised the formation of the British Supply Mission (Middle East), whose primary function would be to assist Middle East countries in obtaining an equitable share of scarce commodities, in so far as they are procurable from supply sources under British control or from areas where British authorities could facilitate supply.

Arrangements have been made with the Egyptian Government for any available surplus of cottonseed cake to be placed at the Disposal of His Majesty's Government

National Archives of Australia NAA: A6740, EGYPT

and the Higher Supplies Council have agreed to the export of 15,000 tons immediately as a first instalment. This followed a promise that His Majesty's Government would endeavour to increase supplies of imported kerosene to Egypt to enable the 1945 consumption to be raised to 350,000 tons as compared with 328,000 tons in 1944.

Note:

1 cantar = 45 kilogrammes	=	100 lbs. approx.		
1 Alexandria cotton bale	=	736 lbs. next	=	758 lbs. gross.
1 ardeb of maize	=	140 kilogrammes.		
1 ardeb of wheat	=	150 kilogrammes.		
1 feddan	=	1.038 acres.		

National Archives of Australia NAA: A6740, EGYPT

TO BE RETURNED TO THE DEPARTMENT OF EXTERNAL AFFAIRS

CONFIDENTIAL

E G Y P T

Economic Report for October, 1945, prepared by the Counsellor (Commercial) to His Majesty's Embassy at Cairo

---

1. General Credit Position

There was a further considerable rise of £E.12 millions in the total of the note issue during October, presumably due to the commencement of purchases of cotton by the Egyptian Government under its guarantee to accept all cotton offered to it at the fixed minimum prices. This brought the total of the issue of £E.145 millions, compared with £E.117 millions at the end of October 1944 and £E.95.6 millions a year earlier.

2. Stock Exchanges

(a) Share and Bond Values on Local Markets
(Index: Banque Belge et Internationale en Egypte).

(i) Equities:-

	September, 1945				Highest & Lowest Indices in 1940/45	
	6th	14th	21st	28th	Highest	Lowest
Five Banks	185.8	187.3	186.8	186.4	187.3	77.5
Six Public Enterprise Companies	186.1	186.1	185.5	185.9	187.2	72.6
Twelve Land and Building Companies	280.6	280.3	277.9	276.5	280.6	79.1
Twenty Industrial Companies	232.7	235.7	240.0	240.0	240.1	78.9
GENERAL INDEX OF SHARES:	214.7	216.3	217.1	216.9	217.1	90.2

(ii) Fixed Interest

	September, 1945				Highest & Lowest Indices in 1940/45	
	6th	14th	21st	28th	Highest	Lowest
Six Government and Municipal Funds	107.1	107.0	108.2	108.0	140.9	90.2
Nine Mortgage Company Stocks	127.0	126.5	126.9	126.6	139.6	92.3
Five Other Companies	156.8	156.8	172.8	170.0	179.0	97.9
GENERAL INDEX OF BONDS:	112.7	112.6	114.6	114.2	141.8	96.5

These figures compare with the Bourse quotations of the 1st January, 1940, represented by the number 100.

Following a slight weakness in the market during the first two weeks of October, conditions during the remainder of the month were firm and rises in quotations were general. There was again a large demand for Anglo-Egyptian Oilfields shares, bringing about an increase of £.1 per share during the month. Other important share increases were in Land and Misr Banks, the two main textile companies, and Heliopolis Founders.

47551-3

National Archives of Australia NAA: A6740, EGYPT

Closing quotations on the 31st October for the shares listed in the preceding report were as follows:-

	28.9.45 PT	31.10.45 PT	
National Loan 3¼%	10,800	10,740	ex Div.
National Bank of Egypt	4,974	4,986	
Misr Bank	2,528	2,700	
Filature Nationale d'Egypte	2,614	2,674	
Soc. Misr pour la Filature, &c.	2,536	2,614	
Anglo-Egyptian Oilfields	561	650	
Sugar Company Founders	2,590	2,500	

(b) New Companies Formed

	Capital £E
United Cold Storage Company, S.A.E.	25,000
Société Fayoum-Beni Souef de Transport S.A.E.	13,364
Al-Ahram, S.A.E.	80,000

(c) Capital Increases

	Capital Increased From : £E.	To : £E
Egyptian Rice Mill, S.A.E.	20,000	100,000
Misr Concrete Development Co. S.A.E.	30,000	50,000
General Society for Banking, Trading and Land Enterprises, S.A.E.	30,000	75,000

3. Budget

(a) As previously reported.

(b) As previously reported.

(c) Customs and Excise receipts for the half-year May/October, 1945, with comparative figures for the corresponding period of 1944, were as under:-

May/Oct. 1944	May/Oct. 1945	Increase
£E.13,621,000	£E.16,829,000	£E.3,208,000

4. Price Levels

The following table gives the index numbers of wholesale prices of twenty-six principal commodities in Cairo and Alexandria markets (1913/1914 = 100):-

	CAIRO			ALEXANDRIA		
	1943	1944	1945	1943	1944	1945
April	220.-	255.-	267.6	216.-	255.-	268.7
May	223.-	259.-	262.4	217.-	255.-	260.4
June	221.-	265.-	265.6	221.-	260.-	258.9
July	224.-	267.-	275.4	223.-	265.5	267.7
August	228.-	281.-	269.-	225.-	277.-	270.7
Sept.	237.-	275.-	266.-	232.-	272.-	268.2

National Archives of Australia NAA: A6740, EGYPT

The movement of the index numbers of wholesale prices and the cost of living since September 1939 is shown in the following table (Basis, June/August 1939 = 100):-

	Wholesale Prices	Cost of Living
September 1939	109	103
December 1940	143	122
December 1941	182.5	156
December 1942	251	215
December 1943	292.7	257.2
December 1944	330.3	292.2
June 1945	325.1	290
September 1945	330.3	297.7

5. Commercial Payments
6. Exchange
7. Clearings

No changes to report.

8. Foreign Trade

(A) Total Trade (excluding bullion and specie).

	Jan./Sept. 1944 £E.	Jan./Sept. 1945 £E.	Inc. (+) or Dec. (-) in 1944-1945 £E.
Imports	35,769,000	41,116,000	+ 5,347,000
Exports & Re-exports	20,604,000	37,784,000	+17,180,000
TRADE BALANCE :	- 15,165,000	- 3,332,000	

(B) September imports were valued at £E.5,185,000, the principal suppliers being Chile (£E.883,000), the U.S.A. (£E.798,000), the United Kingdom (£E.775,000), Iraq (£E.459,000), Iran (£E.395,000), India (£E.384,000), and Turkey (£E.376,000).

For the first nine months of 1944 and 1945 imports from the leading supplying countries were as under:-

	Jan/Sept. 1944 £E.	Jan/Sept. 1945 £E.
United Kingdom,	4,301,000	6,797,000
U.S.A.	4,985,000	5,971,000
Iraq	2,894,000	3,906,000
Iran	4,554,000	3,765,000
Turkey	3,094,000	3,521,000
Canada	1,348,000	2,740,000
Chile	2,394,000	2,080,000
India	2,543,000	1,901,000
South Africa	1,675,000	1,817,000
Palestine	1,793,000	1,407,000

(C) Exports during September totalled only £E.1,732,000, due to a considerable falling-off in shipments of cotton as compared with preceding months. France was the principal customer with £E.611,000, followed by the U.S.A. (£E.338,000), Ceylon (£E.280,000), the United Kingdom (£E.135,000), and Portugal (£E.104,000).

National Archives of Australia NAA: A6740, EGYPT

For the periods Jan/September 1944 and 1945 exports to the leading purchasing countries were as follows:-

	Jan/Sept. 1944 £E.	Jan/Sept. 1945 £E.
United Kingdom	4,563,000	8,838,000
India	6,827,000	7,894,000
France	-	6,997,000
Ceylon	1,050,000	3,083,000
U.S.A.	1,406,000	2,317,000
Syria	131,000	867,000
Palestine	1,077,000	831,000

9. Customs and Excise Tariff

By decree dated the 30th October, the consumption or excise duty leviable on imported or locally produced raw or refined sugar has been increased to £E.16 per metric ton. This represents an increase of £E.4.400 m/ms. per ton, since the previous duty was £E.12 per ton plus 10% supplementary duty, and the latter percentage duty has again to be added to the new rate of £E.16. The consumption or excise duty on candy sugar is raised by the same decree from £E.13 to £E.17 per metric ton (plus the same supplementary duty).

10. Cotton

Cotton exports for the first two months of the 1945-1946 season totalled 42,573 bales, compared with 27,927 bales in the corresponding two months last year. Details are as follows:-

1st Sept. 1944 to 1st Nov. 1944 Bales	Country	1st Sept. 1945 to 31st Oct. 1945 Bales	Inc. (+) or Dec. (-) in 1945-1946 Bales
19,537	United Kingdom	18,859	- 678
7,462	India	-	- 7,462
-	France	9,897	+ 9,897
-	Italy	1,300	+ 1,300
63	Palestine	320	+ 257
865	Portugal	1,505	+ 640
-	Sweden	12	+ 12
-	Syria	1,300	+ 1,300
-	U.S.A.	5,675	+ 5,675
-	Other Countries	3,705	+ 3,705
27,927	Total	45,573	+ 14,646

11. Cereals

The Cereals Committee of the London Food Council has recommended to the Combined Food Board the allocation to Egypt of 77,000 tons of imported wheat on the understanding that the entire 1945 surplus of Egyptian rice, estimated at not less than 150,000 tons should be made available to His Majesty's Government at a price based on the same price to the cultivator last year. This has been agreed to by the Egyptian Government and representatives of the British Ministry of Food have arrived here to conduct the purchases of rice. Legislation has been issued fixing the rice price at £E.16 per dariba, the same as last year, and requisitioning for the Egyptian Government from the cultivators an estimated quantity of 250,000 daribas.

The legal price of bread has been reduced by one millieme from 6 to 5 milliemes per loaf. This is estimated to cost the Government £E. 4 millions.

The Ministery of Agriculture announced in the Senate on the 16th October that the cropping legislation already promulgated for the coming season must stand.

National Archives of Australia NAA: A6740, EGYPT

He added that the Government would purchase its requirements from the next year's wheat crop at PT. 350 per ardeb for Hindi wheat and PT.320 per ardeb for Baladi wheat, i.e. the legal prices at which the Government would requisition. He also announced that the Government would not requisition barley or fix any legal price for barley. This is the first time that the Egyptian Government have reduced the legal wheat price since the system of price fixation was introduced. For the past two seasons the level has only with difficulty been kept downto PT.400 per ardeb for Hindi and PT.385 per ardeb for Baladi wheat. It therefore represents a welcome development which may be expected to have a real effect on the general cost of living next year. It will also be interesting to see the result of releasing barley from price control. Last season's legal barley price proved to be too high, as the Government found to its cost when purchasing for flour adulteration purposes.

12. Miscellaneous

Simultaneous announcements were made on the 30th October by the British Middle East Office and the United States Legation regarding the dissolution of the Middle East Supply Centre as from the 1st November, drawing attention to the fact that with the exception of a "Short List" of some forty-one commodities, imports would be subject to no control other than such import control as local governments in the Middle East may apply. The British announcement advised the formation of the British Supply Mission (Middle East), whose primary function would be to assist Middle East countries in obtaining an equitable share of scarce commodities, in so far as they are procurable from supply sources under British control or from areas where British authorities could facilitate supply.

Arrangements have been made with the Egyptian Government for any available surplus of cottonseed cake to be placed at the Disposal of His Majesty's Government

National Archives of Australia NAA: A6740, EGYPT

and the Higher Supplies Council have agreed to the export of 15,000 tons immediately as a first instalment. This followed a promise that His Majesty's Government would endeavour to increase supplies of imported kerosene to Egypt to enable the 1945 consumption to be raised to 350,000 tons as compared with 328,000 tons in 1944.

Note:

1 cantar = 45 kilogrammes	=	100 lbs. approx.		
1 Alexandria cotton bale	=	736 lbs. next	=	758 lbs. gross.
1 ardeb of maize	=	140 kilogrammes.		
1 ardeb of wheat	=	150 kilogrammes.		
1 feddan	=	1.038 acres.		

National Archives of Australia NAA: A6740, EGYPT

TO BE RETURNED TO THE
TO BE RETURNED TO THE
DEPARTMENT OF EXTERNAL AFFAIRS

CONFIDENTIAL

EGYPT

Economic Report for September, 1945, prepared by the Counsellor (Commercial) to His Majesty's Embassy at Cairo

1. GENERAL CREDIT POSITION

The total of the note issue increased by £E. 500,000 in August and by £E. 3,000,000 during September, at the end of which month it stood at £E. 133,000,000. This compares with £E. 109,000,000 for September, 1944 and £E. 92,600,000 a year earlier.

Banking Clearing House statistics for the quarter ending 30th September, 1945, with comparative figures for the third quarter of 1944, are as follows:-

	July/Sept. 1944 £E.	July/Sept. 1945 £E.
July,	22,825,569	30,185,766
August,	20,806,244	25,001,054
September,	18,494,915	21,994,246
Total:-	62,126,728	77,181,066

2. STOCK EXCHANGES

(a) Share & Bond Values on Local Markets.
(Index: Banque Belge & Internationale en Egypte).

(1) Equities.

	August, 1945					Highest & Lowest Indices in 1940/45	
	3rd	10th	17th	24th	31st	Highest	Lowest
Five Banks	182.6	182.1	182.2	182.2	183.7	182.6	77.5
Six Public Enterprise Cos.	186.7	185.3	185.3	184.9	185.7	187.2	72.6
Twelve Land and Building Cos.	267.7	268.6	269.3	269.4	274.4	269.4	79.1
Twenty Industrial Cos.	228.4	225.8	227.4	226.0	228.5	234.3	78.9
GENERAL INDEX OF SHARES:	210.4	209.2	209.9	209.4	211.6	215.0	90.2

(ii) Fixed Interest

	August, 1945					Highest & Lowest Indices in 1940/45	
	3rd	10th	17th	24th	31st	Highest	Lowest
Six Govt. & Municipal Funds	108.0	107.7	107.4	107.5	107.2	140.9	90.2
Nine Mortgage Co. Stocks.	121.7	122.3	121.9	122.0	124.5	139.6	92.3
Five other Cos.	158.4	152.6	152.6	151.9	151.9	179.0	97.9
GENERAL INDEX OF BONDS:	112.3	111.8	111.6	111.6	111.7	141.8	96.5

These indices compare with the Bourse figures of the 1st January, 1940, represented by the number 100.

47951-2

National Archives of Australia NAA: A6740, EGYPT

The local Bourses were very active during September and rises in quotations were more or less general. Closing quotations on the 28th September for the shares listed in the preceding report were as follows:-

	31.8.45. PT.	28.9.45. PT.
National Loan 3½%,	10,720	10,800
National Bank of Egypt,	5,000	4,974
Misr Bank,	2,482	2,528
Filature Nationale d'Egypte,	2,594	2,614
Soc. Misr p/ la Filature,	2,430	2,536
Anglo-Egyptian Oilfields,	484	561
Sugar Company Founders,	2,460	2,590

(b) New Companies Formed

	Capital £.E.
The Near East Pharmaceutical and Commercial Company, S.A.E.,	10,000
General Navigation Co. of Egypt, S.A.E.,	200,000
North East Africa Trading Co., S.A.E.,	250,000
Société Orientale d'Entrepots, (Oriental Bonded Stores), S.A.E.,	75,000
Société Nationale d'Energie Electrique, S.A.E.,	50,000
Eastern Electric Company, S.A.E.,	50,000
The National Cotton Company, S.A.E.,	100,000

(c) Capital Increases

Société Misr pour l'Industrie Pharmaceutique, S.A.E., Capital increased from £E.30,000 to £E.100,000.

3. BUDGET

(a) As previously reported.

(b) As previously reported.

(c) Customs and excise receipts for the five months May/September, 1945, compared with the same period of 1944 were as follows:-

May/Sept. 1944	May/Sept. 1945	Increase
£E. 11.024,000	£E. 13,552,000	£E. 2,528,000

National Archives of Australia NAA: A6740, EGYPT

4. PRICE LEVELS

The following table shows the index numbers of wholesale prices of Twenty-six principal commodities in Cairo and Alexandria markets (1913 - 1914 = 100):-

	CAIRO			ALEXANDRIA		
	1943	1944	1945	1943	1944	1945
January	219.-	253.-	300.-	216.-	274.5	295.5
February	225.-	255.-	293.5	221.-	249.-	287.6
March	218.5	255.-	292.4	283.-	253.5	287.-
April	220.-	255.-	267.6	216.-	255.-	268.7
May	223.-	259.-	262.4	217.-	255.-	260.4
June	221.-	265.-	265.6	221.-	260.-	258.9
July	224.-	267.-	275.4	223.-	265.5	267.7
August	228.-	281.-	269.-	225.-	277.-	270.7

The index numbers of wholesale prices and the cost of living since September, 1939 are given in the following summary. (Basis: June - August, 1939 = 100).

	Wholesale Prices.	Cost of Living.
September, 1939	109	103
December, 1940	143	122
December, 1941	182.5	156
December, 1942	251	215
December, 1943	292.7	257.2
December, 1944	330.3	292.2
June, 1945	325.1	290.0
July, 1945	326.9	293.1
August, 1945	328.4	295.4

5. COMMERCIAL PAYMENTS

6. EXCHANGE

7. CLEARINGS

NO changes to report.

8. FOREIGN TRADE.

(a) Total Trade. (excluding bullion and specie).

	Jan.-August 1944. £E.	Jan.-August 1945. £E.	Inc. (+) or Dec. (-) in 1944-1945 £E.
Imports	32,435,000	35,930,000	+ 3,495,000
Exports & Re-exports	19,774,000	35,763,000	+ 15,989,000
Trade Balance:-	- 12,661,000	- 167,000	

(b) Imports during August totalled £E.3,895,000, the principal supplying countries being the United States of America (£E.899,000), the United Kingdom (£E.511,000), Iraq (£E.495,000), Turkey (£E.354,000), South Africa (£E.244,000) and India (£E.199,000).

National Archives of Australia NAA: A6740, EGYPT

For the eight months January/August, 1944 and 1945 imports from the leading suppliers were as follows:-

	Jan/Aug. 1944. £.E.	Jan/Aug. 1945. £E.
United Kingdom	3,723,000	6,022,000
U.S.A.	4,385,000	5,173,000
Iraq.	2,583,000	3,447,000
Iran.	4,257,000	3,371,000
Turkey,	2,778,000	3,145,000
Canada,	1,184,000	2,739,000
South Africa,	1,588,000	1,698,000
India,	2,233,000	1,517,000
Palestine,	1,631,000	1,276,000
Chile,	2,394,000	1,197,000

(c) Exports for the month of August were valued at £E.4,876,000, the chief purchasing countries being the United Kingdom (£E.1,945,000), France (£E.1,117,000), Ceylon (£E.320,000), Syria (£E.247,000) and the United States of America (£E.230,000).

Exports for the first eight months of 1944 and 1945 were as under:-

	Jan/Aug. 1944 £E.	Jan/Aug. 1945 £E.
United Kingdom,	4,498,000	8,702,000
India,	6,821,000	7,894,000
France,	-	6,386,000
Ceylon,	838,000	2,803,000
U.S.A.,	1,406,000	1,979,000
Syria,	123,000	822,000
Palestine,	1,037,000	790,000

9. CUSTOMS AND EXCISE TARIFF. No changes to report.

10. COTTON.

Exports of cotton for the first five weeks of the new season totalled just under 20,000 bales, France being the principal purchaser. Details of exports are as follows:-

1st Sept. 1944 to 4th Oct. 1944 Bales	Country	1st Sept. 1945 to 3rd Oct. 1945. Bales	Inc. (+) or Dec. (-) in 1944-1945 Bales
1,354	United Kingdom	3,548	+ 2,194
-	France.	9,897	+ 9,897
5	Palestine.	41	+ 36
-	Portugal.	1,505	+ 1,505
-	Syria.	500	+ 500
-	U.S.A.	4,505	+ 4,505
1,359	Total	19,996	+ 18,637

The freight rate on the Egyptian State Railways for raw cotton are to be reduced by 50% to their pre-war levels.

The Higher Cotton Council recently announced the decision not to re-open the cotton futures bourse for the 1945-46 season. They appointed a committee, however, to examine the possibility of re-opening it for the 1946-47 season.

The Council of Ministers decided on the 23rd September, to abolish the cotton export tax of PT.40 per 100 kilos gross (about Pt.20 per cantar) in respect of new crop (1945) cotton.

National Archives of Australia NAA: A6740, EGYPT

A Ministerial Order, No.88 of the 15th September, announced the constitution of a Commission on the lines of those formed for each of the three preceding years charged with the purchase at the prices fixed by the Government (see paragraph 10 of the July report) of all cotton which may be offered to it from the 1945 crop.

The Egyptian Government have approved the allocation of £E.20 millions from the General Reserve Fund, to finance the purchase by the Government of cotton and wheat, with refund in 1946 from cotton sales.

The Minister of Finance announced during the month that the Cotton Co-ordinating Committee had been dissolved; that His Majesty's Government will have their own buying agent in Alexandria for the 1945-46 season to purchase cotton for United Kingdom requirements; that this buying agent will purchase only for the United Kingdom; and that His Majesty's Government would do everything possible to supply shipping space for cotton.

The first official estimate of the 1945 crop is as follows:-

	Cantars	
Long staple cotton,	3,796,000	(of which 2,947,000 Karnak)
Mediam-long staple cotton,	10,000	
Medium-staple cotton,	1,328,000	
Scarto (low grade) cotton,	143,000	
Total:-	5,277,000	

11. CEREALS..

The project for the construction of permanent grain silos in Egypt which has been under consideration for a number of years is reported to have been revived by the submission of a note to the Council of Ministers drawing attention to the lack of storage facilities for grain and the many advantages which would be provided by the building of modern silos. The report suggests that the project should be undertaken by the Industrial Bank when the latter has been constituted.

12. MISCELLANEOUS

Some details of Egypt's Five-Year Plan for major development schemes have now been published. These indicate that the Government propose to earmark £E.25 millions from the General Reserve Fund to finance the more urgent sections of the plan. This sum will, it is stated, be apportioned as under:-

£E. 3,000,000 on roads.
£E. 2,000,000 to fill in swamps.
£E. 2,000,000 to repair Cairo's sewage system.
£E. 750,000 for the Government's 51% share of the capital of the proposed Industrial Bank.
£E. 4,000,000 to build schools and hospitals.
£E. 5,000,000 for agricultural schemes.
£E. 3,250,000 to improve drinking water supplies.
£E. 4,000,000 to renew Egyptian State Railways' Rolling stock.
£E. 1,000,000 for the purchase of Allied Military installations in Egypt.

It is also reported that the Government has been recommended by a special Ministerial Committee to float a national loan to finance the Aswan Dam Hydro-Electric Scheme, and the electrification of the Cairo-Mataria and Cairo-Helloua suburban lines. The loans would probably total £E.7,000,000

Under Law No.55 of 1945 further alleviations of the land tax have been afforded to small landowners, totally exempting from the tax those whose annual tax does not exceed £E.2 and exempting from the first £E.2 per annum those whose annual tax exceeds that figure.

National Archives of Australia NAA: A6740, EGYPT

Under the terms of a Ministerial Order, No. 75 of 1945, the provisions of Proclamation No. 512 of 1945 relaxing Trading with the Enemy Regulations in respect of certain liberated countries are extended to the Italian districts of Carnaro, Gorizza, Astria, Trieste and Zara.

Under Law No. 93 of 1945 the additional taxes on income, land tax and customs and excise duties are prolonged for a further period of one year, with slight changes in the additional tax payable on the land tax, including exemption for landowners whose annual tax assessment is £E.5 or less.

A scheme for the building of 80,000 workers' houses, which is understood to have the backing of Hafez Afifi Pasha is at present under consideration.

Law No. 56 of 1945, recently promulgated, regulates "Concordats Preventifs" (Arrangements with Creditors) and lays down strict conditions under which firms in Egypt may be granted permission by the Courts to make a composition with their creditors to avoid bankruptcy.

NOTE:-

1 cantar = 45 kilogrammes	= 100 lbs. approx.
1 Alexandria cotton bale	= 736 lbs nett = 758 lbs gross.
1 ardeb of maize	= 140 kilogrammes.
1 ardeb of wheat	= 150 kilogrammes.
1 feddan	= 1.038 acres.

National Archives of Australia NAA: A6740, EGYPT

Canberra

CONFIDENTIAL

E G Y P T

Economic Report for September, 1945, prepared by the Counsellor (Commercial) to His Majesty's Embassy at Cairo

1. GENERAL CREDIT POSITION

The total of the note issue increased by £E. 500,000 in August and by £E. 3,000,000 during September, at the end of which month it stood at £E. 133,000,000. This compares with £E. 109,000,000 for September, 1944 and £E. 92,600,000 a year earlier.

Banking Clearing House statistics for the quarter ending 30th September, 1945, with comparative figures for the third quarter of 1944, are as follows:-

	July/Sept. 1944 £E.	July/Sept. 1945 £E.
July,	22,825,569	30,185,766
August,	20,806,244	25,001,054
September,	18,494,915	21,994,246
Total:-	62,126,728	77,181,066

2. STOCK EXCHANGES

(a) Share & Bond Values on Local Markets.
(Index: Banque Belge & Internationale en Egypte).

(1) Equities.

	August, 1945					Highest & Lowest Indices in 1940/45	
	3rd	10th	17th	24th	31st	Highest	Lowest
Five Banks	182.6	182.1	182.2	182.2	183.7	182.6	77.5
Six Public Enterprise Cos.	186.7	185.3	185.3	184.9	185.7	187.2	72.6
Twelve Land and Building Cos.	267.7	268.6	269.3	269.4	274.4	269.4	79.1
Twenty Industrial Cos.	228.4	225.8	227.4	226.0	228.5	234.3	78.9
GENERAL INDEX OF SHARES:	210.4	209.2	209.9	209.4	211.6	215.0	90.2

(ii) Fixed Interest

	August, 1945					Highest & Lowest Indices in 1940/45	
	3rd	10th	17th	24th	31st	Highest	Lowest
Six Govt. & Municipal Funds	108.0	107.7	107.4	107.5	107.2	140.9	90.2
Nine Mortgage Co. Stocks.	121.7	122.3	121.9	122.0	124.5	139.6	92.3
Five other Cos.	158.4	152.6	152.6	151.9	151.9	179.0	97.9
GENERAL INDEX OF BONDS:	112.3	111.8	111.6	111.6	111.7	141.8	96.5

These indices compare with the Bourse figures of the 1st January, 1940, represented by the number 100.

47951-2

National Archives of Australia NAA: A6740, EGYPT

The local Bourses were very active during September and rises in quotations were more or less general. Closing quotations on the 28th September for the shares listed in the preceding report were as follows:-

	31.8.45. PT.	28.9.45. PT.
National Loan 3¼%,	10,720	10,800
National Bank of Egypt,	5,000	4,974
Misr Bank,	2,482	2,528
Filature Nationale d'Egypte,	2,594	2,614
Soc. Misr p/ la Filature,	2,430	2,536
Anglo-Egyptian Oilfields,	484	561
Sugar Company Founders,	2,460	2,590

(b) New Companies Formed

	Capital £.E.
The Near East Pharmaceutical and Commercial Company, S.A.E.,	10,000
General Navigation Co. of Egypt, S.A.E.,	200,000
North East Africa Trading Co., S.A.E.,	250,000
Société Orientale d'Entrepots, (Oriental Bonded Stores), S.A.E.,	75,000
Société Nationale d'Energie Electrique, S.A.E.,	50,000
Eastern Electric Company, S.A.E.,	50,000
The National Cotton Company, S.A.E.,	100,000

(c) Capital Increases

Société Misr pour l'Industrie Pharmaceutique, S.A.E., Capital increased from £E.30,000 to £E.100,000.

3. BUDGET

(a) As previously reported.

(b) As previously reported.

(c) Customs and excise receipts for the five months May/September, 1945, compared with the same period of 1944 were as follows:-

May/Sept. 1944	May/Sept. 1945	Increase
£E. 11.024,000	£E. 13,552,000	£E. 2,528,000

National Archives of Australia NAA: A6740, EGYPT

4. PRICE LEVELS

The following table shows the index numbers of wholesale prices of Twenty-six principal commodities in Cairo and Alexandria markets (1913 - 1914 = 100):-

	CAIRO			ALEXANDRIA		
	1943	1944	1945	1943	1944	1945
January	219.-	253.-	300.-	216.-	274.5	295.5
February	225.-	255.-	293.5	221.-	249.-	287.6
March	218.5	255.-	292.4	283.-	253.5	287.-
April	220.-	255.-	267.6	216.-	255.-	268.7
May	223.-	259.-	262.4	217.-	255.-	260.4
June	221.-	265.-	265.6	221.-	260.-	258.9
July	224.-	267.-	275.4	223.-	265.5	267.7
August	228.-	281.-	269.-	225.-	277.-	270.7

The index numbers of wholesale prices and the cost of living since September, 1939 are given in the following summary. (Basis: June - August, 1939 = 100).

	Wholesale Prices.	Cost of Living.
September, 1939	109	103
December, 1940	143	122
December, 1941	182.5	156
December, 1942	251	215
December, 1943	292.7	257.2
December, 1944	330.3	292.2
June, 1945	325.1	290.0
July, 1945	326.9	293.1
August, 1945	328.4	295.4

5. COMMERCIAL PAYMENTS (
6. EXCHANGE (NO changes
7. CLEARINGS (to report.

8. FOREIGN TRADE.

(a) Total Trade. (excluding bullion and specie).

	Jan.-August 1944. £E.	Jan.-August 1945. £E.	Inc. (+) or Dec. (-) in 1944-1945 £E.
Imports	32,435,000	35,930,000	+ 3,495,000
Exports & Re-exports	19,774,000	35,763,000	+ 15,989,000
Trade Balance:-	- 12,661,000	- 167,000	

(b) Imports during August totalled £E.3,895,000, the principal supplying countries being the United States of America (£E.899,000), the United Kingdom (£E.511,000), Iraq (£E.495,000), Turkey (£E.354,000), South Africa (£E.244,000) and India (£E.199,000).

National Archives of Australia NAA: A6740, EGYPT

For the eight months January/August, 1944 and 1945 imports from the leading suppliers were as follows:-

	Jan/Aug. 1944. £.E.	Jan/Aug. 1945. £E.
United Kingdom	3,723,000	6,022,000
U.S.A.	4,385,000	5,173,000
Iraq.	2,583,000	3,447,000
Iran.	4,257,000	3,371,000
Turkey,	2,778,000	3,145,000
Canada,	1,184,000	2,739,000
South Africa,	1,588,000	1,698,000
India,	2,233,000	1,517,000
Palestine,	1,631,000	1,276,000
Chile,	2,394,000	1,197,000

(c) Exports for the month of August were valued at £E.4,876,000, the chief purchasing countries being the United Kingdom (£E.1,945,000), France (£E.1,117,000), Ceylon (£E.320,000), Syria (£E.247,000) and the United States of America (£E.230,000).

Exports for the first eight months of 1944 and 1945 were as under:-

	Jan/Aug. 1944 £E.	Jan/Aug. 1945 £E.
United Kingdom,	4,498,000	8,702,000
India,	6,821,000	7,894,000
France,	-	6,386,000
Ceylon,	838,000	2,803,000
U.S.A.,	1,406,000	1,979,000
Syria,	123,000	822,000
Palestine,	1,037,000	790,000

9. CUSTOMS AND EXCISE TARIFF. No changes to report.

10. COTTON.

Exports of cotton for the first five weeks of the new season totalled just under 20,000 bales, France being the principal purchaser. Details of exports are as follows:-

1st Sept. 1944 to 4th Oct. 1944 Bales	Country	1st Sept. 1945 to 3rd Oct. 1945. Bales	Inc. (+) or Dec. (-) in 1944-1945 Bales
1,354	United Kingdom	3,548	+ 2,194
-	France.	9,897	+ 9,897
5	Palestine.	41	+ 36
-	Portugal.	1,505	+ 1,505
-	Syria.	500	+ 500
-	U.S.A.	4,505	+ 4,505
1,359	Total	19,996	+ 18,637

The freight rate on the Egyptian State Railways for raw cotton are to be reduced by 50% to their pre-war levels.

The Higher Cotton Council recently announced the decision not to re-open the cotton futures bourse for the 1945-46 season. They appointed a committee, however, to examine the possibility of re-opening it for the 1946-47 season.

The Council of Ministers decided on the 23rd September, to abolish the cotton export tax of PT.40 per 100 kilos gross (about Pt.20 per cantar) in respect of new crop (1945) cotton.

National Archives of Australia NAA: A6740, EGYPT

A Ministerial Order, No. 88 of the 15th September, announced the constitution of a Commission on the lines of those formed for each of the three preceding years charged with the purchase at the prices fixed by the Government (see paragraph 10 of the July report) of all cotton which may be offered to it from the 1945 crop.

The Egyptian Government have approved the allocation of £E. 20 millions from the General Reserve Fund, to finance the purchase by the Government of cotton and wheat, with refund in 1946 from cotton sales.

The Minister of Finance announced during the month that the Cotton Co-ordinating Committee had been dissolved; that His Majesty's Government will have their own buying agent in Alexandria for the 1945-46 season to purchase cotton for United Kingdom requirements; that this buying agent will purchase only for the United Kingdom; and that His Majesty's Government would do everything possible to supply shipping space for cotton.

The first official estimate of the 1945 crop is as follows:-

	Cantars	
Long staple cotton,	3,796,000	(of which 2,947,000 Karnak)
Mediam-long staple cotton,	10,000	
Medium-staple cotton,	1,328,000	
Scarto (low grade) cotton,	143,000	
Total:-	5,277,000	

11. CEREALS..

The project for the construction of permanent grain silos in Egypt which has been under consideration for a number of years is reported to have been revived by the submission of a note to the Council of Ministers drawing attention to the lack of storage facilities for grain and the many advantages which would be provided by the building of modern silos. The report suggests that the project should be undertaken by the Industrial Bank when the latter has been constituted.

12. MISCELLANEOUS

Some details of Egypt's Five-Year Plan for major development schemes have now been published. These indicate that the Government propose to earmark £E. 25 millions from the General Reserve Fund to finance the more urgent sections of the plan. This sum will, it is stated, be apportioned as under:-

£E. 3,000,000 on roads.
£E. 2,000,000 to fill in swamps.
£E. 2,000,000 to repair Cairo's sewage system.
£E. 750,000 for the Government's 51% share of the capital of the proposed Industrial Bank.
£E. 4,000,000 to build schools and hospitals.
£E. 5,000,000 for agricultural schemes.
£E. 3,250,000 to improve drinking water supplies.
£E. 4,000,000 to renew Egyptian State Railways' Rolling stock.
£E. 1,000,000 for the purchase of Allied Military installations in Egypt.

It is also reported that the Government has been recommended by a special Ministerial Committee to float a national loan to finance the Aswan Dam Hydro-Electric Scheme, and the electrification of the Cairo-Mataria and Cairo-Helloupan suburban lines. The loans would probably total £E. 7,000,000

Under Law No. 55 of 1945 further alleviations of the land tax have been afforded to small landowners, totally exempting from the tax those whose annual tax does not exceed £E. 2 and exempting from the first £E. 2 per annum those whose annual tax exceeds that figure.

National Archives of Australia NAA: A6740, EGYPT

Under the terms of a Ministerial Order, No. 75 of 1945, the provisions of Proclamation No. 512 of 1945 relaxing Trading with the Enemy Regulations in respect of certain liberated countries are extended to the Italian districts of Carnaro, Gorizza, Astria, Trieste and Zara.

Under Law No. 93 of 1945 the additional taxes on income, land tax and customs and excise duties are prolonged for a further period of one year, with slight changes in the additional tax payable on the land tax, including exemption for landowners whose annual tax assessment is £E.5 or less.

A scheme for the building of 80,000 workers' houses, which is understood to have the backing of Hafez Afifi Pasha is at present under consideration.

Law No. 56 of 1945, recently promulgated, regulates "Concordats Preventifs" (Arrangements with Creditors) and lays down strict conditions under which firms in Egypt may be granted permission by the Courts to make a composition with their creditors to avoid bankruptcy.

NOTE:-

1 cantar	= 45 kilogrammes = 100 lbs. approx.
1 Alexandria cotton bale	= 736 lbs nett = 758 lbs gross.
1 ardeb of maize	= 140 kilogrammes.
1 ardeb of wheat	= 150 kilogrammes.
1 feddan	= 1.038 acres.

National Archives of Australia NAA: A6740, EGYPT

E G Y P T

Confidential

Economic Report for August, 1945,
Prepared by the Counsellor (Commercial) to His Majesty's Embassy at Cairo

1. General Credit Position:

As previously reported.

2. Stock Exchanges:

(a) Share and Bond Values on Local Markets
(Index : Banque Belge et Internationale en Egypte).

(i) Equities :-

	July, 1945				Highest & Lowest Indices in 1940/45	
	6th	13th	20th	27th	Highest	Lowest
Five Banks,	179.7	179.9	180.1	181.3	181.3	77.5
Six Public Enterprise Companies	181.1	182.0	184.1	185.1	187.2	72.6
Twelve Land & Building Companies	254.7	256.5	258.0	257.4	265.4	79.1
Twenty Industrial Companies	221.0	222.7	224.4	226.4	234.3	78.9
GENERAL INDEX OF SHARES :	204.2	205.2	203.4	207.6	210.3	90.2

(ii) Fixed Interest :-

	July, 1945				Highest & Lowest Indices in 1940/45	
	6th	13th	20th	27th	Highest	Lowest
Six Government and Municipal Funds	107.0	107.7	108.5	108.5	140.9	90.2
Nine Mortgage Co. Stocks	122.9	122.9	122.7	120.5	139.6	92.3
Five other companies	164.9	167.1	167.6	167.2	179.0	97.9
GENERAL INDEX OF BONDS :	113.9	114.7	115.3	115.0	141.8	96.5

The above indices compare with the Bourse figures of the 1st January, 1940, represented by the number 100.

The end of the war with Japan was responsible for a fall in quotations on the local Bourses owing to bearish speculations but this was in no case more than 5 per cent. After a meeting with Government representatives the Stock Exchange Commission announced that brokers would be responsible for ensuring that the seller of any shares was actually in possession of them. Immediately after this announcement the market became brisk and some operators entered as buyers. The ground lost was quickly recovered and the month closed on a very optimistic note, good business being done in spite of the fact that August is the holiday month when conditions are usually stagnant.

Closing quotations on the 31st August for the shares listed in the preceding report were as under:-

	31.7.45 PT.	31.8.45 PT.
National Loan 3¼%	10,830	10,720
National Bank of Egypt	4,910	5,000
Misr Bank	2,380	2,482
Filature Nationale d'Egypte	2,528	2,594
Soc. Misr pour la Filature	2,408	2,430
Anglo-Egyptian Oilfields	493	484
Sugar Co. Founders	2,156	2,460

40046-2

National Archives of Australia NAA: A6740, EGYPT

(b) New Companies Formed

		Capital
The Egyptian Rice Mill, S.A.E.	£E.	20,000
The Alexandria Glass and Porcelain Factory, S.A.E.	"	10,000
Soc. Industrielle du Moyen-Orient, S.A.E.	"	60,000

(c) Capital Increases

Anglo-Continental Cotton Co. S.A.E.,
Capital increased from £E.30,000 to £E.50,000.

3. Budget

(a) As previously reported.
(b) As previously reported.
(c) Customs and excise receipts for the four months May/August 1944 and 1945 were as follows :-

May/Aug. 1944 £E.	May/Aug. 1945 £E.	Increase £E.
10,878,000	9,565,000	1,313,000

4. Price Levels

For the first time since September 1939 there were signs of a fall in wholesale prices and the cost of living in both April and May when the indices showed a substantial decline. However, later figures recently released show that the cost of living is rising again. The June figure was practically stationary but that for July rose by several points due to increases in the prices of cereals, milk products, tea, coffee, sugar and potatoes.

The following table gives the index numbers of wholesale prices and the cost of living since September 1939 (Basis : June/August 1939 = 100) :-

	Wholesale Prices	Cost of Living
September 1939	109	103
December 1940	143	122
December 1941	182.5	156
December 1942	251	215
December 1943	292.7	257.2
December 1944	330.3	292.2
March 1945	334.2	295.6
April 1945	331.7	292.8
May 1945	327.5	290.3
June 1945	325.1	290.0
July 1945	326.9	293.1

5. Commercial Payments
6. Exchange
7. Clearings

No changes to report.

8. Foreign Trade (excluding bullion and specie).

(A) Total Trade

	Jan-July 1944 £E.	Jan-July 1945 £E.	Inc. (+) or Dec. (-) in 1944-1945 £E.
Imports	28,337,000	32,034,000	+ 3,697,000
Exports & Re-exports	18,138,000	30,616,000	+ 12,478,000
Trade Balance :	- 10,199,000	- 1,418,000	

National Archives of Australia NAA: A6740, EGYPT

(B) Imports during July were valued at £E.5,015,000, the principal suppliers being the United Kingdom with £E.1,018,000, the U.S.A. £E.735,000, Iraq £E.405,000, Iran £E.388,000, Turkey £E.364,000 and Canada £E.339,000.

For the seven months ending July 1944 and 1945 the shares of the leading countries in Egypt's import trade were as follows :-

	Jan/July 1944 £E.	Jan/July 1945 £E.
United Kingdom	3,189,000	5,518,000
U.S.A.	3,930,000	4,274,000
Iran	3,635,000	3,215,000
Iraq	2,267,000	2,952,000
Turkey	2,430,000	2,792,000
Canada	1,076,000	2,556,000
South Africa	1,402,000	1,452,000
India	1,797,000	1,317,000
Chile	2,394,000	1,197,000

(C) Exports for July reached the high figure of £E.6,792,000, mainly due to heavy shipments of cotton to France. The shares of the leading purchasing countries were as follows: France £E.3,253,000, Ceylon £E.873,000, India £E.703,000, the United Kingdom £E.511,000, and the U.S.A. £E.403,000.

Exports to the principal purchasing countries for the first seven months of 1944 and 1945 were valued as under :-

	Jan/July 1944 £E.	Jan/July 1945 £E.
India	6,141,000	7,848,000
United Kingdom	4,321,000	6,758,000
France	-	5,269,000
Ceylon	830,000	2,485,000
U.S.A.	1,405,000	1,739,000
Palestine	926,000	678,000

9. Customs and Excise Tariff

No changes to report.

10. Cotton

Total exports of cotton for the 1943-44 and 1944-45 seasons are given in the following table :-

1943 - 1944	Country	1944 - 1945	Inc. or Dec.
270,332	United Kingdom	273,485	+ 3,153
147,540	India	146,163	- 1,377
2,288	Portugal	5,530	+ 3,242
46,612	U.S.A.	26,472	- 20,140
28,921	Other Countries	131,224	+ 102,303
495,693	Total	582,874	+ 87,181

Before the end of the session recently ended, Parliament approved the bill whereby the cotton acreage for next year will remain unchanged. It provides that in Lower Egypt cultivators must restrict the area under cotton to 27% of their holdings; in Assiut, Girga and Kena Provinces to 14%; and in other parts of the country to not more than 18%. Cotton growing in Aswan Province and in certain other areas in Upper Egypt is forbidden. Cultivators will not be liable to punishment for exceeding the authorised acreage if the excess is less than 5%.

National Archives of Australia NAA: A6740, EGYPT

11. Cereals

The final estimates of the 1944-1945 wheat and barley crops are as follows :-

	Area Feddans	Production per feddan Ardebs	Total crop Ardebs
Wheat			
1944-45	1,646,930	4,79	7,881,000
1943-44	1,650,965	3.82	6,307,000
5 year average 1940-44	1,630,552	4.89	7,978,000
Barley			
1944-45	358,613	6.08	2,180,000
1943-44	331,008	5.71	1,890,000
5 year average 1940-44	319,025	6.63	2,116,000

Under Proclamation No. 609 of the 6th August, all cultivators of 1945 millet are required to deliver a proportion of their crop to the Government at a fixed price.

12. Miscellaneous

Further assistance to small landowners is afforded by the terms of Law No. 55 of the 16th August, under which

(a) all landowners whose total land tax does not exceed £E.2 per annum are exempted from the payment of the tax,

and (b) landowners whose total land tax exceeds £E.2, but does not exceed £E.10 per annum are exempted from the payment of the first £E.2 per annum of the tax.

Proclamation No. 610 of the 27th August exempts from the dispositions of Proclamation No. 159 (Trading with Countries Occupied by the Enemy), commercial, financial and other operations between Egyptian residents and individuals in countries formerly occuped by the enemy, except sequestrated persons or persons excluded by order of the Ministry of Finance.

NOTE:

1 cantar = 45 kilogrammes	=	100 lbs. approx.
1 Alexandria cotton bale	=	736 lbs. nett. 758 lbs. gross.
1 ardeb of maize	=	140 kilogrammes.
1 ardeb of wheat	=	150 kilogrammes.
1 feddan	=	1.038 acres.

National Archives of Australia NAA: A6740, EGYPT

E G Y P T

Confidential

Economic Report for August, 1945,
Prepared by the Counsellor (Commercial) to His Majesty's Embassy at Cairo

1. General Credit Position:

As previously reported.

2. Stock Exchanges:

(a) Share and Bond Values on Local Markets
(Index : Banque Belge et Internationale en Egypte).

(i) Equities :-

	July, 1945				Highest & Lowest Indices in 1940/45	
	6th	13th	20th	27th	Highest	Lowest
Five Banks,	179.7	179.9	180.1	181.3	181.3	77.5
Six Public Enterprise Companies	181.1	182.0	184.1	185.1	187.2	72.6
Twelve Land & Building Companies	254.7	256.5	258.0	257.4	265.4	79.1
Twenty Industrial Companies	221.0	222.7	224.4	226.4	234.3	78.9
GENERAL INDEX OF SHARES :	204.2	205.2	203.4	207.6	210.3	90.2

(ii) Fixed Interest :-

	July, 1945				Highest & Lowest Indices in 1940/45	
	6th	13th	20th	27th	Highest	Lowest
Six Government and Municipal Funds	107.0	107.7	108.5	108.5	140.9	90.2
Nine Mortgage Co. Stocks	122.9	122.9	122.7	120.5	139.6	92.3
Five other companies	164.9	167.1	167.6	167.2	179.0	97.9
GENERAL INDEX OF BONDS :	113.9	114.7	115.3	115.0	141.8	96.5

The above indices compare with the Bourse figures of the 1st January, 1940, represented by the number 100.

The end of the war with Japan was responsible for a fall in quotations on the local Bourses owing to bearish speculations but this was in no case more than 5 per cent. After a meeting with Government representatives the Stock Exchange Commission announced that brokers would be responsible for ensuring that the seller of any shares was actually in possession of them. Immediately after this announcement the market became brisk and some operators entered as buyers. The ground lost was quickly recovered and the month closed on a very optimistic note, good business being done in spite of the fact that August is the holiday month when conditions are usually stagnant.

Closing quotations on the 31st August for the shares listed in the preceding report were as under:-

	31.7.45 PT.	31.8.45 PT.
National Loan 3¼%	10,830	10,720
National Bank of Egypt	4,910	5,000
Misr Bank	2,380	2,482
Filature Nationale d'Egypte	2,528	2,594
Soc. Misr pour la Filature	2,408	2,430
Anglo-Egyptian Oilfields	493	484
Sugar Co. Founders	2,156	2,460

40046-2

National Archives of Australia NAA: A6740, EGYPT

(b) New Companies Formed

		Capital
The Egyptian Rice Mill, S.A.E.	£E.	20,000
The Alexandria Glass and Porcelain Factory, S.A.E.	"	10,000
Soc. Industrielle du Moyen-Orient, S.A.E.	"	60,000

(c) Capital Increases

Anglo-Continental Cotton Co. S.A.E.,
Capital increased from £E.30,000 to £E.50,000.

3. Budget

(a) As previously reported.
(b) As previously reported.
(c) Customs and excise receipts for the four months May/August 1944 and 1945 were as follows :-

May/Aug. 1944 £E.	May/Aug. 1945 £E.	Increase £E.
10,878,000	9,565,000	1,313,000

4. Price Levels

For the first time since September 1939 there were signs of a fall in wholesale prices and the cost of living in both April and May when the indices showed a substantial decline. However, later figures recently released show that the cost of living is rising again. The June figure was practically stationary but that for July rose by several points due to increases in the prices of cereals, milk products, tea, coffee, sugar and potatoes.

The following table gives the index numbers of wholesale prices and the cost of living since September 1939 (Basis : June/August 1939 = 100) :-

	Wholesale Prices	Cost of Living
September 1939	109	103
December 1940	143	122
December 1941	182.5	156
December 1942	251	215
December 1943	292.7	257.2
December 1944	330.3	292.2
March 1945	334.2	295.6
April 1945	331.7	292.8
May 1945	327.5	290.3
June 1945	325.1	290.0
July 1945	326.9	293.1

5. Commercial Payments
6. Exchange
7. Clearings

No changes to report.

8. Foreign Trade (excluding bullion and specie).

(A) Total Trade

	Jan-July 1944 £E.	Jan-July 1945 £E.	Inc. (+) or Dec. (-) in 1944-1945 £E.
Imports	28,337,000	32,034,000	+ 3,697,000
Exports & Re-exports	18,138,000	30,616,000	+ 12,478,000
Trade Balance :	- 10,199,000	- 1,418,000	

National Archives of Australia NAA: A6740, EGYPT

(B) Imports during July were valued at £E.5,015,000, the principal suppliers being the United Kingdom with £E.1,018,000, the U.S.A. £E.735,000, Iraq £E.405,000, Iran £E.388,000, Turkey £E.364,000 and Canada £E.339,000.

For the seven months ending July 1944 and 1945 the shares of the leading countries in Egypt's import trade were as follows :-

	Jan/July 1944 £E.	Jan/July 1945 £E.
United Kingdom	3,189,000	5,518,000
U.S.A.	3,930,000	4,274,000
Iran	3,635,000	3,215,000
Iraq	2,267,000	2,952,000
Turkey	2,430,000	2,792,000
Canada	1,076,000	2,556,000
South Africa	1,402,000	1,452,000
India	1,797,000	1,317,000
Chile	2,394,000	1,197,000

(C) Exports for July reached the high figure of £E.6,792,000, mainly due to heavy shipments of cotton to France. The shares of the leading purchasing countries were as follows: France £E.3,253,000, Ceylon £E.873,000, India £E.703,000, the United Kingdom £E.511,000, and the U.S.A. £E.403,000.

Exports to the principal purchasing countries for the first seven months of 1944 and 1945 were valued as under :-

	Jan/July 1944 £E.	Jan/July 1945 £E.
India	6,141,000	7,848,000
United Kingdom	4,321,000	6,758,000
France	-	5,269,000
Ceylon	830,000	2,485,000
U.S.A.	1,405,000	1,739,000
Palestine	926,000	678,000

9. Customs and Excise Tariff

No changes to report.

10. Cotton

Total exports of cotton for the 1943-44 and 1944-45 seasons are given in the following table :-

1943 - 1944	Country	1944 - 1945	Inc. or Dec.
270,332	United Kingdom	273,485	+ 3,153
147,540	India	146,163	- 1,377
2,288	Portugal	5,530	+ 3,242
46,612	U.S.A.	26,472	- 20,140
28,921	Other Countries	131,224	+ 102,303
495,693	Total	582,874	+ 87,181

Before the end of the session recently ended, Parliament approved the bill whereby the cotton acreage for next year will remain unchanged. It provides that in Lower Egypt cultivators must restrict the area under cotton to 27% of their holdings; in Assiut, Girga and Kena Provinces to 14%; and in other parts of the country to not more than 18%. Cotton growing in Aswan Province and in certain other areas in Upper Egypt is forbidden. Cultivators will not be liable to punishment for exceeding the authorised acreage if the excess is less than 5%.

National Archives of Australia NAA: A6740, EGYPT

11. Cereals

The final estimates of the 1944-1945 wheat and barley crops are as follows :-

	Area Feddans	Production per feddan Ardebs	Total crop Ardebs
Wheat			
1944-45	1,646,930	4,79	7,881,000
1943-44	1,650,965	3.82	6,307,000
5 year average 1940-44	1,630,552	4.89	7,978,000
Barley			
1944-45	358,613	6.08	2,180,000
1943-44	331,008	5.71	1,890,000
5 year average 1940-44	319,025	6.63	2,116,000

Under Proclamation No. 609 of the 6th August, all cultivators of 1945 millet are required to deliver a proportion of their crop to the Government at a fixed price.

12. Miscellaneous

Further assistance to small landowners is afforded by the terms of Law No. 55 of the 16th August, under which

(a) all landowners whose total land tax does not exceed £E.2 per annum are exempted from the payment of the tax,

and (b) landowners whose total land tax exceeds £E.2, but does not exceed £E.10 per annum are exempted from the payment of the first £E.2 per annum of the tax.

Proclamation No. 610 of the 27th August exempts from the dispositions of Proclamation No. 159 (Trading with Countries Occupied by the Enemy), commercial, financial and other operations between Egyptian residents and individuals in countries formerly occuped by the enemy, except sequestrated persons or persons excluded by order of the Ministry of Finance.

NOTE:

1 cantar	=	45 kilogrammes = 100 lbs. approx.
1 Alexandria cotton bale	=	736 lbs. nett. 758 lbs. gross.
1 ardeb of maize	=	140 kilogrammes.
1 ardeb of wheat	=	150 kilogrammes.
1 feddan	=	1.038 acres.

National Archives of Australia NAA: A6740, EGYPT

TO BE RETURNED TO THE
DEPARTMENT OF EXTERNAL AFFAIRS

E G Y P T

Confidential

Economic Report for August, 1945,
Prepared by the Counsellor (Commercial) to His Majesty's Embassy at Cairo

1. General Credit Position:

As previously reported.

2. Stock Exchanges:

(a) Share and Bond Values on Local Markets
(Index : Banque Belge et Internationale en Egypte).

(i) Equities :-

	July, 1945				Highest & Lowest Indices in 1940/45	
	6th	13th	20th	27th	Highest	Lowest
Five Banks,	179.7	179.9	180.1	181.3	181.3	77.5
Six Public Enterprise Companies	181.1	182.0	184.1	185.1	187.2	72.6
Twelve Land & Building Companies	254.7	256.5	258.0	257.4	265.4	79.1
Twenty Industrial Companies	221.0	222.7	224.4	226.4	234.3	78.9
GENERAL INDEX OF SHARES :	204.2	205.2	203.4	207.6	210.3	90.2

(ii) Fixed Interest :-

	July, 1945				Highest & Lowest Indices in 1940/45	
	6th	13th	20th	27th	Highest	Lowest
Six Government and Municipal Funds	107.0	107.7	108.5	108.5	140.9	90.2
Nine Mortgage Co. Stocks	122.9	122.9	122.7	120.5	139.6	92.3
Five other companies	164.9	167.1	167.6	167.2	179.0	97.9
GENERAL INDEX OF BONDS :	113.9	114.7	115.3	115.0	141.8	96.5

The above indices compare with the Bourse figures of the 1st January, 1940, represented by the number 100.

The end of the war with Japan was responsible for a fall in quotations on the local Bourses owing to bearish speculations but this was in no case more than 5 per cent. After a meeting with Government representatives the Stock Exchange Commission announced that brokers would be responsible for ensuring that the seller of any shares was actually in possession of them. Immediately after this announcement the market became brisk and some operators entered as buyers. The ground lost was quickly recovered and the month closed on a very optimistic note, good business being done in spite of the fact that August is the holiday month when conditions are usually stagnant.

Closing quotations on the 31st August for the shares listed in the preceding report were as under:-

	31.7.45 PT.	31.8.45 PT.
National Loan 3¼%	10,830	10,720
National Bank of Egypt	4,910	5,000
Misr Bank	2,380	2,482
Filature Nationale d'Egypte	2,528	2,594
Soc. Misr pour la Filature	2,408	2,430
Anglo-Egyptian Oilfields	493	484
Sugar Co. Founders	2,156	2,460

National Archives of Australia NAA: A6740, EGYPT

(b) New Companies Formed

		Capital
The Egyptian Rice Mill, S.A.E.	£E.	20,000
The Alexandria Glass and Porcelain Factory, S.A.E.	"	10,000
Soc. Industrielle du Moyen-Orient, S.A.E.	"	60,000

(c) Capital Increases

Anglo-Continental Cotton Co. S.A.E.,
Capital increased from £E.30,000 to £E.50,000.

3. Budget

(a) As previously reported.
(b) As previously reported.
(c) Customs and excise receipts for the four months May/August 1944 and 1945 were as follows :-

May/Aug. 1944 £E.	May/Aug. 1945 £E.	Increase £E.
10,878,000	9,565,000	1,313,000

4. Price Levels

For the first time since September 1939 there were signs of a fall in wholesale prices and the cost of living in both April and May when the indices showed a substantial decline. However, later figures recently released show that the cost of living is rising again. The June figure was practically stationary but that for July rose by several points due to increases in the prices of cereals, milk products, tea, coffee, sugar and potatoes.

The following table gives the index numbers of wholesale prices and the cost of living since September 1939 (Basis : June/August 1939 = 100) :-

	Wholesale Prices	Cost of Living
September 1939	109	103
December 1940	143	122
December 1941	182.5	156
December 1942	251	215
December 1943	292.7	257.2
December 1944	330.3	292.2
March 1945	334.2	295.6
April 1945	331.7	292.8
May 1945	327.5	290.3
June 1945	325.1	290.0
July 1945	326.9	293.1

5. Commercial Payments
6. Exchange
7. Clearings

No changes to report.

8. Foreign Trade (excluding bullion and specie).

(A) Total Trade

	Jan-July 1944 £E.	Jan-July 1945 £E.	Inc. (+) or Dec. (-) in 1944-1945 £E.
Imports	28,337,000	32,034,000	+ 3,697,000
Exports & Re-exports	18,138,000	30,616,000	+ 12,478,000
Trade Balance :	- 10,199,000	- 1,418,000	

National Archives of Australia NAA: A6740, EGYPT

(B) Imports during July were valued at £E.5,015,000, the principal suppliers being the United Kingdom with £E.1,018,000, the U.S.A. £E.735,000, Iraq £E.405,000, Iran £E.388,000, Turkey £E.364,000 and Canada £E.339,000.

For the seven months ending July 1944 and 1945 the shares of the leading countries in Egypt's import trade were as follows :-

	Jan/July 1944 £E.	Jan/July 1945 £E.
United Kingdom	3,189,000	5,518,000
U.S.A.	3,930,000	4,274,000
Iran	3,635,000	3,215,000
Iraq	2,267,000	2,952,000
Turkey	2,430,000	2,792,000
Canada	1,076,000	2,556,000
South Africa	1,402,000	1,452,000
India	1,797,000	1,317,000
Chile	2,394,000	1,197,000

(C) Exports for July reached the high figure of £E.6,792,000, mainly due to heavy shipments of cotton to France. The shares of the leading purchasing countries were as follows: France £E.3,253,000, Ceylon £E.873,000, India £E.703,000, the United Kingdom £E.511,000, and the U.S.A. £E.403,000.

Exports to the principal purchasing countries for the first seven months of 1944 and 1945 were valued as under :-

	Jan/July 1944 £E.	Jan/July 1945 £E.
India	6,141,000	7,848,000
United Kingdom	4,321,000	6,758,000
France	-	5,269,000
Ceylon	830,000	2,485,000
U.S.A.	1,405,000	1,739,000
Palestine	926,000	678,000

9. Customs and Excise Tariff

No changes to report.

10. Cotton

Total exports of cotton for the 1943-44 and 1944-45 seasons are given in the following table :-

1943 - 1944	Country	1944 - 1945	Inc. or Dec.
270,332	United Kingdom	273,485	+ 3,153
147,540	India	146,163	- 1,377
2,288	Portugal	5,530	+ 3,242
46,612	U.S.A.	26,472	- 20,140
28,921	Other Countries	131,224	+ 102,303
495,693	Total	582,874	+ 87,181

Before the end of the session recently ended, Parliament approved the bill whereby the cotton acreage for next year will remain unchanged. It provides that in Lower Egypt cultivators must restrict the area under cotton to 27% of their holdings; in Assiut, Girga and Kena Provinces to 14%; and in other parts of the country to not more than 18%. Cotton growing in Aswan Province and in certain other areas in Upper Egypt is forbidden. Cultivators will not be liable to punishment for exceeding the authorised acreage if the excess is less than 5%.

National Archives of Australia NAA: A6740, EGYPT

11. Cereals

The final estimates of the 1944-1945 wheat and barley crops are as follows :-

	Area Feddans	Production per feddan Ardebs	Total crop Ardebs
Wheat			
1944-45	1,646,930	4,79	7,881,000
1943-44	1,650,965	3.82	6,307,000
5 year average 1940-44	1,630,552	4.89	7,978,000
Barley			
1944-45	358,613	6.08	2,180,000
1943-44	331,008	5.71	1,890,000
5 year average 1940-44	319,025	6.63	2,116,000

Under Proclamation No. 609 of the 6th August, all cultivators of 1945 millet are required to deliver a proportion of their crop to the Government at a fixed price.

12. Miscellaneous

Further assistance to small landowners is afforded by the terms of Law No. 55 of the 16th August, under which

(a) all landowners whose total land tax does not exceed £E.2 per annum are exempted from the payment of the tax,

and (b) landowners whose total land tax exceeds £E.2, but does not exceed £E.10 per annum are exempted from the payment of the first £E.2 per annum of the tax.

Proclamation No. 610 of the 27th August exempts from the dispositions of Proclamation No. 159 (Trading with Countries Occupied by the Enemy), commercial, financial and other operations between Egyptian residents and individuals in countries formerly occuped by the enemy, except sequestrated persons or persons excluded by order of the Ministry of Finance.

NOTE:

1 cantar	= 45 kilogrammes	= 100 lbs. approx.
1 Alexandria cotton bale		= 736 lbs. nett. 758 lbs. gross.
1 ardeb of maize		= 140 kilogrammes.
1 ardeb of wheat		= 150 kilogrammes.
1 feddan		= 1.038 acres.

National Archives of Australia NAA: A6740, EGYPT

TO BE RETURNED TO THE

Confidential

EGYPT

Economic Report for July, 1945 prepared by the Counsellor (Commercial) to His Majesty's Embassy at Cairo.

1. GENERAL CREDIT POSITION

The note issue increased by £E.2½ millions during June and by a further £E.500,000 in July, at the end of which month it stood at £E.129,500,000. This compares with £E.89,000,000 at the end of July, 1944, and with £E.73,700,000 a year earlier.

2. STOCK EXCHANGES

(a) Share and Bond Values on Local Markets (Index: Banque Belge et Internationale en Egypte).

(i) Equities:-

	June, 1945					Highest & Lowest Indices in 1940/45	
	1st	8th	15th	22nd	29th	Highest	Lowest
Five Banks	177.4	178.6	180.6	180.8	180.7	180.8	77.5
Six Public Enterprise Cos.	179.1	175.5	178.9	179.9	179.0	187.2	72.6
Twelve Land & Building Cos.	255.8	254.0	254.3	254.6	253.7	265.4	79.1
Twenty Industrial Cos.	220.3	220.6	222.3	223.5	222.5	234.3	78.9
GENERAL INDEX OF SHARES:	202.9	203.2	204.6	205.3	204.6	210.3	90.2

(ii) Fixed Interest:

	June, 1945					Highest & Lowest Indices in 1940/45	
	1st	8th	15th	22nd	29th	Highest	Lowest
Six Govt. & Municip. Funds.	106.6	106.0	106.7	106.6	106.6	140.9	90.2
Nine Mortgage Co. Stocks	119.0	119.5	119.5	119.4	120.3	139.6	92.3
Five Other Cos.	172.0	171.9	169.9	167.3	165.3	179.0	97.9
GENERAL INDEX OF BONDS:	113.8	113.4	113.7	113.4	113.4	141.8	96.5

The above indices compare with the Bourse figures of the 1st January, 1940, represented by the number 100.

Conditions on the local Bourses continued to be firm during July and further substantial increases were registered by practically all the principal shares.

During the latter part of the month the Ministry of Finance issued an instruction forbidding dealings in the shares of newly-formed companies not yet registered with the Stock Exchanges, such as the "Gerco" and "Plastics" companies, in which there has been considerable speculation.

National Archives of Australia NAA: A6740, EGYPT

Closing quotations on the 31st July, 1945 for the shares listed in the preceding report were as under:-

	29.6.45. PT.	21.7.45 PT.
National Loan 3½%	10,665	10,830
National Bank of Egypt,	4,976	4,910
Misr Bank.	2,280	2,380
Filature Nle. d'Egypte,	2,466	2,528
Soc. Misr p. la Filature,	2,368	2,408
Anglo-Egyptian Oilfields.	483	493
Sugar Co. Fdrs.,	2,040	2,156

(b) New Companies Formed

"Sahel", S.A.E.,	Capital, £E. 35,000.
Misr Engineering Works & Transport Co., S.A.E.	Capital, £E. 80,000.
General Engineering & Refrigeration Co., "Gerco" S.A.E.	Capital, £E. 200,000.
Gabbary Petroleum Company, S.A.E.	Capital, £E. 100,000.
Frosted Food & Cold Storage Co. S.A.E.	Capital, £E. 75,000.

(c) Capital Increases.

	From £E.	To £E.
Egyptian Land & Building Co. S.A.E.,	10,000	1,010,000
Etablissements Industriels p. la Soie et le Coton, S.A.E.	30,000	400,000
Nile Textile Co. S.A.E.	75,000	200,000
Soc. Egnne. pour le Tissage de la Soie, S.A.E.,	125,000	250,000
Egyptian Finance Co. S.A.E.	25,000	100,000

3. BUDGET

(a) The 1945-46 Budget has finally been approved by Parliament and balances at £E.89,968,000. This is more than £E.3 millions higher than the estimated revenue and expenditure in the original draft of the Budget.

(b) Provisional returns of Government revenue and expenditure for the first two months of the financial years 1944-45 and 1945-46 are as under:-

	May/June, 1945 £E.	May/June, 1944 £E.
Revenue,	12,559,000	12,700,000
Expenditure,	7,416,000	5,491,000
Supplementary Expenditure,	-	-

(c) Customs and Excise receipts continue to show higher returns than last year and for the first three months of the new financial year totalled £E.8,267,000 compared with £E.7,236,000 for May/July, 1944, an increase of £E.1,031,000.

4. PRICE LEVELS. As previously reported.

5. COMMERCIAL PAYMENTS
6. EXCHANGE.
7. CLEARINGS.

No changes to report.

National Archives of Australia NAA: A6740, EGYPT

8. FOREIGN TRADE. (excluding bullion and specie).

(A) Total Trade.

	Jan-June 1944 £E.	Jan.-June 1945 £E.	Inc. (+) or Dec. (-) in 1944-45 £E.
Imports,	24,757,000	27,019,000	+ 2,262,000
Exports & Re-exports,	16,015,000	23,496,000	+ 7,391,000
Trade Balance	- 8,652,000	- 3,523,000	

(B) Imports for the month of June, 1945 were valued at £E.4,764,000, the principal suppliers being the United Kingdom with £E.977,000; the U.S.A., £E.668,000; Irag, £E.565,000; Turkey, £E.382,000; Canada, £E.372,000; Iran, £E.425,000.

For the first half of 1944 and 1945, the shares of Egypt's leading suppliers was as follows:-

	Jan/June, 1944 £E.	Jan/June, 1945 £E.
United Kingdom,	2,815,000	4,500,000
U.S.A.	3,378,000	3,539,000
Iran,	3,370,000	2,827,000
Iraq,	1,923,000	2,547,000
Turkey,	2,041,000	2,428,000
Canada,	951,000	2,218,000
Chile,	2,394,000	1,197,000
South Africa,	1,139,000	1,159,000
India,	1,449,000	1,069,000

(C) Exports showed considerable improvement in June when the total value of shipments reached £E. 6,032,000, the highest monthly figure recorded for a considerable period, due to heavier shipments of raw cotton. The leading purchasing countries were India (£E.1,414,000), France £E.1,195,000), the U.S.A. (£E.1,145,000) and the United Kingdom (£E.944,000).

The following table gives the shares of the leading purchasing countries for the first six months of 1944 and 1945:-

	Jan/June, 1844 £E.	Jan/June, 1945 £E.
India,	5,309,000	7,145,000
United Kingdom,	4,125,000	6,247,000
France,	-	2,016,000
Ceylon,	762,000	1,612,000
U.S.A.	1,404,000	1,336,000
Palestine,	884,000	516,000

9. CUSTOMS AND EXCISE DUTIES.

Two further decrees were published on the 16th July increasing the minimum rate of import duty on sweet wines, mistelles, vermouth, strong wines, sweet and dry, and aromatised, and imposing an excise duty on brandy and cognac, in addition to the existing excise duty on alcohol.

National Archives of Australia NAA: A6740, EGYPT

10. COTTON.

The improvement in cotton shipments continues and nearly 90,000 bales were exported during July. For the first eleven months of the cotton seasons 1943-44 and 1944-45, exports were as under:-

1st Sept, 1943 to 2nd Aug. 1944 Bales.	Country	1st Sept. 1944 to 1st Aug. 1945 Bales	Inc. (+) or Dec. (-) in 1944-45 Bales.
267,406	United Kingdom	234,909	- 32,497
136,100	India.	146,113	+ 10,013
2,288	Portugal	5,530	+ 3,242
46,612	U.S.A.	23,393	- 23,219
28,903	Other Countries	109,437	+ 80,534
481,309	Total	519,382	+ 38,073

The Government decided early in July to raise their minimum buying prices for 1945 cotton by 10%. The basic prices for new crop cotton will thus be increased as follows:-

ASHMUNI, from $.29 to $.31.9
GIZA 7, from $.36 to $.39.6.

Cottonseed prices will remain unchanged.

In a review of the Government's cotton policy in the Chamber of Deputies on the 9th July, the Minister for Finance stated that it was hoped to remove wartime restrictions on the purchase and export of cotton and to reduce ginning, pressing and transport charges. The Government, while recognising the good work accomplished by the British Government Cotton Buying Commission early in the war and subsequently by the Cotton Co-ordinating Committee, considered that the time had now come to liquidate the latter Committee and allow trade to return to normal channels. The Embassy was subsequently approached on the subject and the matter was referred to the Foreign Office.

The Minister also stated that, if and when agreement was reached for the abolition of the Cotton Co-ordinating Committee, the Government would also abolish the cotton export tax, although this would mean a loss of over £E 700,000 a year to the Treasury. But this had become necessary, he said, in view of the U.S.A, export subsidy of five dollars per centar.

He added that in view of the lack of demand for "Karnak" cotton and the accumulation of stocks of this type, the Government proposed to restrict its cultivation next year.

The Minister of Agriculture, in an interview with the press, expressed the opinion that the 1945 crop would propably not exceed 5,000,000 cantars from the 984,771 feddans planted, owing to the unfavourable weather in the early part of the year. The area is the largest planted since 1941.

The compulsory insurance of cotton and cottonseed was abolished by the terms of Law No.46 of the 12th July, 1945.

The Minister for Agriculture has informed me that the proposal for next year's cotton acreage is to make little change in the total area legally permitted but to adjust the legislation so as to permit of some cotton cultivation in Upper Egypt (Ashmuni). Cultivation of Karnak would be legally restricted in favour of Zagora and Menufi.

A bill providing for penalties of one month's imprisonment and a fine of £E.15 to £E.20 per feddan for cultivators who violate the cotton acreage restriction law was approved by the Chamber of Deputies on the 31st July, It appears that the previous penalty of destruction of crops has been abolished.

National Archives of Australia NAA: A6740, EGYPT

11. CEREALS

The Minister for Agriculture stated to the press early in July that the current wheat crop is a very good one and probably totals eight million ardebs (of 150 kilos), an increase of about 1,800,000 ardebs over last year's crop. This would be sufficient, he considered, to avoid any necessity for the import of wheat during the next twelve months between this and the 1946 harvest.

As regards acreage allocations between cereals and cotton, the Minister told the Press that the end of the war in Europe had in no way changed the supply position in Egypt and that he was of the opinion that the present legislation in force restricting cotton acreage in favour of cereal cultivation should remain in force for the next agricultural year. Legislation on these lines was voted by Parliament on the 1st August.

12. MISCELLANEOUS

A new Military Proclamation (No. 598 of the 11th July) has been issued governing urban rents which rescinds previous orders and makes several important changes. No changes have been made in the percentage increases in rents of flats used for residential purposes, but further increases have been authorised in the rents of buildings and shops used for commercial and industrial purposes.

A Ministerial Order published on the 16th July ordered the taking of the industrial census (authorised under Law No. 22 of 1944) in all Governorates and Mudiriyas with effect from the 15th July.

National Archives of Australia NAA: A6740, EGYPT

A notice published in the "Journal Officiel" of the 23rd July advises traders that they may import goods from the U.S.S.R. on the basis of sterling transactions.

1 cantar = 45 kilogrammes	= 100 lbs. approx.
1 Alexandria cotton bale	= 736 lbs. nett. = 758 lbs. gross.
1 ardeb of maize	= 140 kilogrammes.
1 ardeb of wheat	= 150 kilogrammes.
1 feddan	= 1.038 acres.

National Archives of Australia NAA: A6740, EGYPT

Confidential

E G Y P T

Economic Report for July, 1945 prepared by the Counsellor (Commercial) to His Majesty's Embassy at Cairo.

1. GENERAL CREDIT POSITION

The note issue increased by £E.2½ millions during June and by a further £E.500,000 in July, at the end of which month it stood at £E.129,500,000. This compares with £E.89,000,000 at the end of July, 1944, and with £E.73,700,000 a year earlier.

2. STOCK EXCHANGES

(a) Share and Bond Values on Local Markets
(Index: Banque Belge et Internationale en Egypte).

(i) Equities:-

	June, 1945					Highest & Lowest Indices in 1940/45	
	1st	8th	15th	22nd	29th	Highest	Lowest
Five Banks	177.4	178.6	180.6	180.8	180.7	180.8	77.5
Six Public Enterprise Cos.	179.1	175.5	178.9	179.9	179.0	187.2	72.6
Twelve Land & Building Cos.	255.8	254.0	254.3	254.6	253.7	265.4	79.1
Twenty Industrial Cos.	220.3	220.6	222.3	223.5	222.5	234.3	78.9
GENERAL INDEX OF SHARES:	202.9	203.2	204.6	205.3	204.6	210.3	90.2

(ii) Fixed Interest:

	June, 1945					Highest & Lowest Indices in 1940/45	
	1st	8th	15th	22nd	29th	Highest	Lowest
Six Govt. & Municip. Funds.	106.6	106.0	106.7	106.6	106.6	140.9	90.2
Nine Mortgage Co. Stocks	119.0	119.5	119.5	119.4	120.3	139.6	92.3
Five Other Cos.	172.0	171.9	169.9	167.3	165.3	179.0	97.9
GENERAL INDEX OF BONDS:	113.8	113.4	113.7	113.4	113.4	141.8	96.5

The above indices compare with the Bourse figures of the 1st January, 1940, represented by the number 100.

Conditions on the local Bourses continued to be firm during July and further substantial increases were registered by practically all the principal shares.

During the latter part of the month the Ministry of Finance issued an instruction forbidding dealings in the shares of newly-formed companies not yet registered with the Stock Exchanges, such as the "Gerco" and "Plastics" companies, in which there has been considerable speculation.

National Archives of Australia NAA: A6740, EGYPT

Closing quotations on the 31st July, 1945 for the shares listed in the preceding report were as under:-

	29.6.45. PT.	21.7.45 PT.
National Loan 3¼%	10,665	10,830
National Bank of Egypt,	4,976	4,910
Misr Bank.	2,280	2,380
Filature Nle. d'Egypte,	2,466	2,528
Soc. Misr p. la Filature,	2,368	2,408
Anglo-Egyptian Oilfields.	483	493
Sugar Co. Fdrs.,	2,040	2,156

(b) New Companies Formed

"Sahel", S.A.E.,	Capital, £E. 35,000.
Misr Engineering Works & Transport Co., S.A.E.	Capital, £E. 80,000.
General Engineering & Refrigeration Co., "Gerco" S.A.E.	Capital, £E. 200,000.
Gabbary Petroleum Company, S.A.E.	Capital, £E. 100,000.
Frosted Food & Cold Storage Co. S.A.E.	Capital, £E. 75,000.

(c) Capital Increases.

	From £E.	To £E.
Egyptian Land & Building Co. S.A.E.,	10,000	1,010,000
Etablissements Industriels p. la Soie et le Coton, S.A.E.	30,000	400,000
Nile Textile Co. S.A.E.	75,000	200,000
Soc. Egnne. pour le Tissage de la Soie, S.A.E.,	125,000	250,000
Egyptian Finance Co. S.A.E.	25,000	100,000

3. BUDGET

(a) The 1945-46 Budget has finally been approved by Parliament and balances at £E.89,968,000. This is more than £E.3 millions higher than the estimated revenue and expenditure in the original draft of the Budget.

(b) Provisional returns of Government revenue and expenditure for the first two months of the financial years 1944-45 and 1945-46 are as under:-

	May/June, 1945 £E.	May/June, 1944 £E.
Revenue,	12,559,000	12,700,000
Expenditure,	7,416,000	5,491,000
Supplementary Expenditure,	-	-

(c) Customs and Excise receipts continue to show higher returns than last year and for the first three months of the new financial year totalled £E.8,267,000 compared with £E.7,236,000 for May/July, 1944, an increase of £E.1,031,000.

4. PRICE LEVELS. As previously reported.

5. COMMERCIAL PAYMENTS
6. EXCHANGE.
7. CLEARINGS.

No changes to report.

National Archives of Australia NAA: A6740, EGYPT

8. FOREIGN TRADE. (excluding bullion and specie).

(A) Total Trade.

	Jan-June 1944 £E.	Jan.-June 1945 £E.	Inc. (+) or Dec. (-) in 1944-45 £E.
Imports,	24,757,000	27,019,000	+ 2,262,000
Exports & Re-exports,	16,015,000	23,496,000	+ 7,391,000
Trade Balance	- 8,652,000	- 3,523,000	

(B) Imports for the month of June, 1945 were valued at £E.4,764,000, the principal suppliers being the United Kingdom with £E.977,000; the U.S.A., £E.668,000; Irag, £E.565,000; Turkey, £E.382,000; Canada, £E.372,000; Iran, £E.425,000.

For the first half of 1944 and 1945, the shares of Egypt's leading suppliers was as follows:-

	Jan/June, 1944 £E.	Jan/June, 1945 £E.
United Kingdom,	2,815,000	4,500,000
U.S.A.	3,378,000	3,539,000
Iran,	3,370,000	2,827,000
Iraq,	1,923,000	2,547,000
Turkey,	2,041,000	2,428,000
Canada,	951,000	2,218,000
Chile,	2,394,000	1,197,000
South Africa,	1,139,000	1,159,000
India,	1,449,000	1,069,000

(C) Exports showed considerable improvement in June when the total value of shipments reached £E. 6,032,000, the highest monthly figure recorded for a considerable period, due to heavier shipments of raw cotton. The leading purchasing countries were India (£E.1,414,000), France £E.1,195,000), the U.S.A. (£E.1,145,000) and the United Kingdom (£E.944,000).

The following table gives the shares of the leading purchasing countries for the first six months of 1944 and 1945:-

	Jan/June, 1844 £E.	Jan/June, 1945 £E.
India,	5,309,000	7,145,000
United Kingdom,	4,125,000	6,247,000
France,	-	2,016,000
Ceylon,	762,000	1,612,000
U.S.A.	1,404,000	1,336,000
Palestine,	884,000	516,000

9. CUSTOMS AND EXCISE DUTIES.

Two further decrees were published on the 16th July increasing the minimum rate of import duty on sweet wines, mistelles, vermouth, strong wines, sweet and dry, and aromatised, and imposing an excise duty on brandy and cognac, in addition to the existing excise duty on alcohol.

National Archives of Australia NAA: A6740, EGYPT

10. COTTON.

The improvement in cotton shipments continues and nearly 90,000 bales were exported during July. For the first eleven months of the cotton seasons 1943-44 and 1944-45, exports were as under:-

1st Sept, 1943 to 2nd Aug. 1944 Bales.	Country	1st Sept. 1944 to 1st Aug. 1945 Bales	Inc. (+) or Dec. (-) in 1944-45 Bales.
267,406	United Kingdom	234,909	- 32,497
136,100	India.	146,113	+ 10,013
2,288	Portugal	5,530	+ 3,242
46,612	U.S.A.	23,393	- 23,219
28,903	Other Countries	109,437	+ 80,534
481,309	Total	519,382	+ 38,073

The Government decided early in July to raise their minimum buying prices for 1945 cotton by 10%. The basic prices for new crop cotton will thus be increased as follows:-

ASHMUNI, from $.29 to $.31.9
GIZA 7, from $.36 to $.39.6.

Cottonseed prices will remain unchanged.

In a review of the Government's cotton policy in the Chamber of Deputies on the 9th July, the Minister for Finance stated that it was hoped to remove wartime restrictions on the purchase and export of cotton and to reduce ginning, pressing and transport charges. The Government, while recognising the good work accomplished by the British Government Cotton Buying Commission early in the war and subsequently by the Cotton Co-ordinating Committee, considered that the time had now come to liquidate the latter Committee and allow trade to return to normal channels. The Embassy was subsequently approached on the subject and the matter was referred to the Foreign Office.

The Minister also stated that, if and when agreement was reached for the abolition of the Cotton Co-ordinating Committee, the Government would also abolish the cotton export tax, although this would mean a loss of over £E 700,000 a year to the Treasury. But this had become necessary, he said, in view of the U.S.A, export subsidy of five dollars per centar.

He added that in view of the lack of demand for "Karnak" cotton and the accumulation of stocks of this type, the Government proposed to restrict its cultivation next year.

The Minister of Agriculture, in an interview with the press, expressed the opinion that the 1945 crop would propably not exceed 5,000,000 cantars from the 984,771 feddans planted, owing to the unfavourable weather in the early part of the year. The area is the largest planted since 1941.

The compulsory insurance of cotton and cottonseed was abolished by the terms of Law No.46 of the 12th July, 1945.

The Minister for Agriculture has informed me that the proposal for next year's cotton acreage is to make little change in the total area legally permitted but to adjust the legislation so as to permit of some cotton cultivation in Upper Egypt (Ashmuni). Cultivation of Karnak would be legally restricted in favour of Zagora and Menufi.

A bill providing for penalties of one month's imprisonment and a fine of £E.15 to £E.20 per feddan for cultivators who violate the cotton acreage restriction law was approved by the Chamber of Deputies on the 31st July, It appears that the previous penalty of destruction of crops has been abolished.

National Archives of Australia NAA: A6740, EGYPT

11. CEREALS

The Minister for Agriculture stated to the press early in July that the current wheat crop is a very good one and probably totals eight million ardebs (of 150 kilos), an increase of about 1,800,000 ardebs over last year's crop. This would be sufficient, he considered, to avoid any necessity for the import of wheat during the next twelve months between this and the 1946 harvest.

As regards acreage allocations between cereals and cotton, the Minister told the Press that the end of the war in Europe had in no way changed the supply position in Egypt and that he was of the opinion that the present legislation in force restricting cotton acreage in favour of cereal cultivation should remain in force for the next agricultural year. Legislation on these lines was voted by Parliament on the 1st August.

12. MISCELLANEOUS

A new Military Proclamation (No.598 of the 11th July) has been issued governing urban rents which rescinds previous orders and makes several important changes. No changes have been made in the percentage increases in rents of flats used for residential purposes, but further increases have been authorised in the rents of buildings and shops used for commercial and industrial purposes.

A Ministerial Order published on the 16th July ordered the taking of the industrial census (authorised under Law No.22 of 1944) in all Governorates and Mudiriyas with effect from the 15th July.

National Archives of Australia NAA: A6740, EGYPT

A notice published in the "Journal Officiel" of the 23rd July advises traders that they may import goods from the U.S.S.R. on the basis of sterling transactions.

1 cantar = 45 kilogrammes	= 100 lbs. approx.
1 Alexandria cotton bale	= 736 lbs. nett. = 758 lbs. gross.
1 ardeb of maize	= 140 kilogrammes.
1 ardeb of wheat	= 150 kilogrammes.
1 feddan	= 1.038 acres.

National Archives of Australia NAA: A6740, EGYPT

Confidential

E G Y P T

Economic Report for July, 1945 prepared by the Counsellor (Commercial) to His Majesty's Embassy at Cairo.

1. GENERAL CREDIT POSITION

The note issue increased by £E.2½ millions during June and by a further £E.500,000 in July, at the end of which month it stood at £E.129,500,000. This compares with £E.89,000,000 at the end of July, 1944, and with £E.73,700,000 a year earlier.

2. STOCK EXCHANGES

(a) Share and Bond Values on Local Markets (Index: Banque Belge et Internationale en Egypte).

(i) Equities:-

	June, 1945					Highest & Lowest Indices in 1940/45	
	1st	8th	15th	22nd	29th	Highest	Lowest
Five Banks	177.4	178.6	180.6	180.8	180.7	180.8	77.5
Six Public Enterprise Cos.	179.1	175.5	178.9	179.9	179.0	187.2	72.6
Twelve Land & Building Cos.	255.8	254.0	254.3	254.6	253.7	265.4	79.1
Twenty Industrial Cos.	220.3	220.6	222.3	223.5	222.5	234.3	78.9
GENERAL INDEX OF SHARES:	202.9	203.2	204.6	205.3	204.6	210.3	90.2

(ii) Fixed Interest:

	June, 1945					Highest & Lowest Indices in 1940/45	
	1st	8th	15th	22nd	29th	Highest	Lowest
Six Govt. & Municip. Funds.	106.6	106.0	106.7	106.6	106.6	140.9	90.2
Nine Mortgage Co. Stocks	119.0	119.5	119.5	119.4	120.3	139.6	92.3
Five Other Cos.	172.0	171.9	169.9	167.3	165.3	179.0	97.9
GENERAL INDEX OF BONDS:	113.8	113.4	113.7	113.4	113.4	141.8	96.5

The above indices compare with the Bourse figures of the 1st January, 1940, represented by the number 100.

Conditions on the local Bourses continued to be firm during July and further substantial increases were registered by practically all the principal shares.

During the latter part of the month the Ministry of Finance issued an instruction forbidding dealings in the shares of newly-formed companies not yet registered with the Stock Exchanges, such as the "Gerco" and "Plastics" companies, in which there has been considerable speculation.

National Archives of Australia NAA: A6740, EGYPT

Closing quotations on the 31st July, 1945 for the shares listed in the preceding report were as under:-

	29.6.45. PT.	21.7.45 PT.
National Loan 3¼%	10,665	10,830
National Bank of Egypt,	4,976	4,910
Misr Bank.	2,280	2,380
Filature Nle. d'Egypte,	2,466	2,528
Soc. Misr p. la Filature,	2,368	2,408
Anglo-Egyptian Oilfields.	483	493
Sugar Co. Fdrs.,	2,040	2,156

(b) New Companies Formed

"Sahel", S.A.E.,	Capital, £E. 35,000.
Misr Engineering Works & Transport Co., S.A.E.	Capital, £E. 80,000.
General Engineering & Refrigeration Co., "Gerco" S.A.E.	Capital, £E. 200,000.
Gabbary Petroleum Company, S.A.E.	Capital, £E. 100,000.
Frosted Food & Cold Storage Co. S.A.E.	Capital, £E. 75,000.

(c) Capital Increases.

	From £E.	To £E.
Egyptian Land & Building Co. S.A.E.,	10,000	1,010,000
Etablissements Industriels p. la Soie et le Coton, S.A.E.	30,000	400,000
Nile Textile Co. S.A.E.	75,000	200,000
Soc. Egne. pour le Tissage de la Soie, S.A.E.,	125,000	250,000
Egyptian Finance Co. S.A.E.	25,000	100,000

3. BUDGET

(a) The 1945-46 Budget has finally been approved by Parliament and balances at £E.89,968,000. This is more than £E.3 millions higher than the estimated revenue and expenditure in the original draft of the Budget.

(b) Provisional returns of Government revenue and expenditure for the first two months of the financial years 1944-45 and 1945-46 are as under:-

	May/June, 1945 £E.	May/June, 1944 £E.
Revenue,	12,559,000	12,700,000
Expenditure,	7,416,000	5,491,000
Supplementary Expenditure,	-	-

(c) Customs and Excise receipts continue to show higher returns than last year and for the first three months of the new financial year totalled £E.8,267,000 compared with £E.7,236,000 for May/July, 1944, an increase of £E.1,031,000.

4. PRICE LEVELS. As previously reported.

5. COMMERCIAL PAYMENTS
6. EXCHANGE.
7. CLEARINGS.

No changes to report.

National Archives of Australia NAA: A6740, EGYPT

8. FOREIGN TRADE. (excluding bullion and specie).

(A) Total Trade.

	Jan-June 1944 £E.	Jan.-June 1945 £E.	Inc. (+) or Dec. (-) in 1944-45 £E.
Imports,	24,757,000	27,019,000	+ 2,262,000
Exports & Re-exports,	16,015,000	23,496,000	+ 7,391,000
Trade Balance	- 8,652,000	- 3,523,000	

(B) Imports for the month of June, 1945 were valued at £E.4,764,000, the principal suppliers being the United Kingdom with £E.977,000; the U.S.A., £E.668,000; Irag, £E.565,000; Turkey, £E.382,000; Canada, £E.372,000; Iran, £E.425,000.

For the first half of 1944 and 1945, the shares of Egypt's leading suppliers was as follows:-

	Jan/June, 1944 £E.	Jan/June, 1945 £E.
United Kingdom,	2,815,000	4,500,000
U.S.A.	3,378,000	3,539,000
Iran,	3,370,000	2,827,000
Iraq,	1,923,000	2,547,000
Turkey,	2,041,000	2,428,000
Canada,	951,000	2,218,000
Chile,	2,394,000	1,197,000
South Africa,	1,139,000	1,159,000
India,	1,449,000	1,069,000

(C) Exports showed considerable improvement in June when the total value of shipments reached £E. 6,032,000, the highest monthly figure recorded for a considerable period, due to heavier shipments of raw cotton. The leading purchasing countries were India (£E.1,414,000), France £E.1,195,000), the U.S.A. (£E.1,145,000) and the United Kingdom (£E.944,000).

The following table gives the shares of the leading purchasing countries for the first six months of 1944 and 1945:-

	Jan/June, 1844 £E.	Jan/June, 1945 £E.
India,	5,309,000	7,145,000
United Kingdom,	4,125,000	6,247,000
France,	-	2,016,000
Ceylon,	762,000	1,612,000
U.S.A.	1,404,000	1,336,000
Palestine,	884,000	516,000

9. CUSTOMS AND EXCISE DUTIES.

Two further decrees were published on the 16th July increasing the minimum rate of import duty on sweet wines, mistelles, vermouth, strong wines, sweet and dry, and aromatised, and imposing an excise duty on brandy and cognac, in addition to the existing excise duty on alcohol.

National Archives of Australia NAA: A6740, EGYPT

10. COTTON.

The improvement in cotton shipments continues and nearly 90,000 bales were exported during July. For the first eleven months of the cotton seasons 1943-44 and 1944-45, exports were as under:-

1st Sept, 1943 to 2nd Aug. 1944 Bales.	Country	1st Sept. 1944 to 1st Aug. 1945 Bales	Inc. (+) or Dec. (-) in 1944-45 Bales.
267,406	United Kingdom	234,909	- 32,497
136,100	India.	146,113	+ 10,013
2,288	Portugal	5,530	+ 3,242
46,612	U.S.A.	23,393	- 23,219
28,903	Other Countries	109,437	+ 80,534
481,309	Total	519,382	+ 38,073

The Government decided early in July to raise their minimum buying prices for 1945 cotton by 10%. The basic prices for new crop cotton will thus be increased as follows:-

ASHMUNI, from $.29 to $.31.9
GIZA 7, from $.36 to $.39.6.

Cottonseed prices will remain unchanged.

In a review of the Government's cotton policy in the Chamber of Deputies on the 9th July, the Minister for Finance stated that it was hoped to remove wartime restrictions on the purchase and export of cotton and to reduce ginning, pressing and transport charges. The Government, while recognising the good work accomplished by the British Government Cotton Buying Commission early in the war and subsequently by the Cotton Co-ordinating Committee, considered that the time had now come to liquidate the latter Committee and allow trade to return to normal channels. The Embassy was subsequently approached on the subject and the matter was referred to the Foreign Office.

The Minister also stated that, if and when agreement was reached for the abolition of the Cotton Co-ordinating Committee, the Government would also abolish the cotton export tax, although this would mean a loss of over £E 700,000 a year to the Treasury. But this had become necessary, he said, in view of the U.S.A. export subsidy of five dollars per centar.

He added that in view of the lack of demand for "Karnak" cotton and the accumulation of stocks of this type, the Government proposed to restrict its cultivation next year.

The Minister of Agriculture, in an interview with the press, expressed the opinion that the 1945 crop would propably not exceed 5,000,000 cantars from the 984,771 feddans planted, owing to the unfavourable weather in the early part of the year. The area is the largest planted since 1941.

The compulsory insurance of cotton and cottonseed was abolished by the terms of Law No.46 of the 12th July, 1945.

The Minister for Agriculture has informed me that the proposal for next year's cotton acreage is to make little change in the total area legally permitted but to adjust the legislation so as to permit of some cotton cultivation in Upper Egypt (Ashmuni). Cultivation of Karnak would be legally restricted in favour of Zagora and Menufi.

A bill providing for penalties of one month's imprisonment and a fine of £E.15 to £E.20 per feddan for cultivators who violate the cotton acreage restriction law was approved by the Chamber of Deputies on the 31st July, It appears that the previous penalty of destruction of crops has been abolished.

National Archives of Australia NAA: A6740, EGYPT

11. CEREALS

The Minister for Agriculture stated to the press early in July that the current wheat crop is a very good one and probably totals eight million ardebs (of 150 kilos), an increase of about 1,800,000 ardebs over last year's crop. This would be sufficient, he considered, to avoid any necessity for the import of wheat during the next twelve months between this and the 1946 harvest.

As regards acreage allocations between cereals and cotton, the Minister told the Press that the end of the war in Europe had in no way changed the supply position in Egypt and that he was of the opinion that the present legislation in force restricting cotton acreage in favour of cereal cultivation should remain in force for the next agricultural year. Legislation on these lines was voted by Parliament on the 1st August.

12. MISCELLANEOUS

A new Military Proclamation (No.598 of the 11th July) has been issued governing urban rents which rescinds previous orders and makes several important changes. No changes have been made in the percentage increases in rents of flats used for residential purposes, but further increases have been authorised in the rents of buildings and shops used for commercial and industrial purposes.

A Ministerial Order published on the 16th July ordered the taking of the industrial census (authorised under Law No.22 of 1944) in all Governorates and Mudiriyas with effect from the 15th July.

National Archives of Australia NAA: A6740, EGYPT

A notice published in the "Journal Officiel" of the 23rd July advises traders that they may import goods from the U.S.S.R. on the basis of sterling transactions.

1 cantar = 45 kilogrammes	= 100 lbs. approx.
1 Alexandria cotton bale	= 736 lbs. nett. = 758 lbs. gross.
1 ardeb of maize	= 140 kilogrammes.
1 ardeb of wheat	= 150 kilogrammes.
1 feddan	= 1.038 acres.

National Archives of Australia NAA: A6740, EGYPT

CONFIDENTIAL

TO BE RETURNED TO THE

EGYPT

Economic Report for June 1945 prepared by the Commercial Counsellor to H.M. Embassy at Cairo

1. GENERAL CREDIT POSITION

The total of the note issue rose by £E.500,000 during May to £E.126,500,000. This compares with £E.102,800,000 at the end of May, 1944 and £E.82,000,000 a year earlier.

The following table shows the movement of the Banking Clearing Houses during the quarter ended 30th June, 1945, compared with the corresponding quarter of 1944:-

	1944 £E	1945 £E
April,	24,226,000	30,965,000
May,	26,933,000	30,192,000
June,	24,816,000	30,014,000
Total:-	75,975,000	91,171,000

2. STOCK EXCHANGES

(a) Share and Bond Values on Local Markets
(Index: Banqe Belge & Internationale en Egypte).

(i) Equities:

	May, 1945				Highest & Lowest Indices in 1940/45	
	3rd	11th	18th	25th	Highest	Lowest
Five Banks	176.0	174.9	174.7	176.7	176.7	77.5
Six Public Enterprise Cos.	176.4	175.7	175.5	178.0	187.2	72.6
Twelve Land & Building Cos.	253.5	249.3	247.3	252.8	265.4	79.1
Twenty Industrial Cos.	214.2	211.4	213.4	213.9	234.3	78.9
GENERAL INDEX OF SHARES:	199.6	197.6	197.9	199.9	210.3	90.2

(ii) Fixed Interest:-

	May, 1945				Highest & Lowest Indices in 1940/45	
	3rd	11th	18th	25th	Highest	Lowest
Six Govt. & Municip. Funds	105.5	104.9	105.0	105.8	140.9	90.2
Nine Mortgage Co. Stocks	119.2	118.6	117.7	117.9	139.6	92.3
Five Other Cos.	158.3	158.3	154.2	165.2	179.0	97.9
GENERAL INDEX OF BONDS	111.7	111.2	110.8	112.4	141.8	96.5

These indices compare with the Bourse figures of the 1st January, 1940, represented by the number 100.

Very firm conditions ruled on the local Bourse during June and there was a general rise in quotations. This was attributed to the feeling that Egypt has many more prosperous years before her and that, unlike conditions following the 1914-18 war there will be no rush of imported goods to compete with local products for some time to come. National Loan 3¼% continues firm and National Bank of Egypt £.10 shares have almost reached the record figure of £E.50. The two main textile shares and Sugar Company founder shares were greatly in demand.

National Archives of Australia NAA: A6740, EGYPT

Closing quotations on the 29th June, 1945 for the shares listed in the preceding report were as under:-

	31.5.45. PT	29.6.45. PT
National Loan 3¼%	10,650	10,665
National Bank of Egypt	4,820	4,976
Misr Bank	2,274	2,280
Filature Nationale d'Egypte	2,298	2,466
Soc. Misr. p.la Filature	2,284	2,368
Anglo-Egyptian Oilfields	484	483
Sugar Company Founders	1,676	2,040

(b) New Companies Formed

Société "Union des Commerçants en Textiles",
Capital: £E.100,000

(c) Capital Increases

Société Egyptienne de Tissage et Tricotage S.A.E.
From £E.125,000 to £E.200,000
"La Commerciale", Compagnie Nationale pour le Commerce et l'Industrie, S.A.E.
From £E.100,000 to £E.250,000
Société Egyptienne de Filature et Tissage de Laine, S.A.E.
From £E.200,000 to £E.500,000.
Société Commerciale d'Egypte, S.A.E.
From £E.23,145 to £E.120,000.

3. BUDGET

(a) As previously reported.
(b) do.
(c) Customs and excise receipts for May/June, 1945 totalled £E.5,295,000, compared with £E.4,769,000 in the corresponding two months of 1944, an increase of £E.526,000.

4. PRICE LEVELS

As previously reported.

5. COMMERCIAL PAYMENTS. No changes to report.

6. EXCHANGE. No changes to report.

7. CLEARINGS. No changes to report.

8. FOREIGN TRADE (excluding bullion and specie).

(A) Total trade

	January to May 1944 £E	January to May 1945 £E	Inc. (+) or Dec. (-) in 1944-1945 £E
Imports	19,970,000	22,255,000	+ 2,285,000
Exports & Re-exports	13,722,000	17,290,000	+ 3,568,000
Trade Balance:	- 6,248,000	- 4,965,000	

(B) May imports totalled £E.4,588,000, the leading supplying countries being the United Kingdom (£E.749,000), Canada (£E.670,000), U.S.A. (£E.644,000), Iran (£E.478,000), Iraq (£E.383,000), and Turkey (£E.340,000).

National Archives of Australia NAA: A6740, EGYPT

For the first five months of 1944 and 1945 the shares of the principal suppliers were as follows:-

	Jan/May, 1944 £E	Jan/May, 1945 £E
United Kingdom	2,497,000	3,523,000
U.S.A.	2,903,000	2,871,000
Iran	3,106,000	2,402,000
Turkey	1,621,000	2,046,000
Iraq	1,636,000	1,982,000
Canada	794,000	1,846,000
South Africa	917,000	1,013,000
Chile	860,000	910,000
India	1,239,000	890,000

(C) Exports during May were valued at £E.3,421,000, the chief purchasing countries being the United Kingdom (£E.1,171,000), India (£E.1,143,000), Ceylon (£E.225,000), France (£E.223,000), and the U.S.A. (£E.175,000).

Exports to Egypt's leading customers for the first five months of 1944 and 1945 were as under:-

	Jan/May, 1944 £E	Jan/May, 1945 £E
India	4,588,000	5,731,000
United Kingdom	3,619,000	5,303,000
Ceylon	513,000	1,404,000
France	-	821,000
Palestine	724,000	459,000
U.S.A.	1,404,000	191,000

9. CUSTOMS AND EXCISE TARIFF

The Minister of Finance issued an arreté on the 18th June for the formation of a commission to study modifications to the Egyptian customs tariff. The commission is to make recommendations to implement the two aims which the existing tariff is meant to forward, i.e. increasing the State revenue and the protection of local industries.

10. COTTON

Cotton shipments are improving and over 80,000 bales were exported during June, shared mainly between the United Kingdom, India, the U.S.A. and France.

For the first ten months of the seasons 1943-44 and 1944-45, shipments were as under:-

1st Sept. 1943 to 28th June, 1944 Bales	Country	1st Sept. 1944 to 27th June, 1945 Bales	Inc. (+) or Dec. (-) in 1944-1945 Bales
264,564	United Kingdom	225,612	- 38,952
121,187	India	135,043	+ 13,856
2,288	Portugal	5,530	+ 3,242
46,612	U.S.A.	15,625	- 30,987
28,827	Other Countries	49,674	+ 20,847
463,478	Total	431,484	- 31,994

Under the terms of Military Proclamations 591 of June 7th and 595 of June 23rd, war-time restrictions, (a) making it obligatory for cotton to be steam-pressed within one month of entry into Alexandria and (b) on transport of cotton to Alexandria from the interior, were removed.

11. CEREALS

The greater part of the allocation of fertilisers for the Nili maize and millet crops has arrived in the country. 45,000 tons have been delivered to distributing centres and the balance was expected to arrive by mid-July.

National Archives of Australia NAA: A6740, EGYPT

12. MISCELLANEOUS

In view of the current world shortage of petroleum products and of the information received from London that it would be impossible to supply Egypt with the additional 40,000 tons of kerosene which she has requested for delivery this year, a cut in the local ration of 4 litres in each 18 litres was announced on the 30th June.

A Military Proclamation, No. 594 of the 7th June, contained regulations for the local manufacture of artificial silk fabrics and fixed the maximum permissible profit in locally manufactured cloth in which there is a proportion of not less than 50% of artificial silk at 30% above the cost of the imported artificial silk yarn.

Proclamation No. 596 issued on the 26th June instituted a commission in the Ministry of Commerce and Industry to control the trade in cotton yarns and cotton piece goods.

NOTE:

1 cantar = 45 kilogrammes	=	100 lbs. approx.
1 Alexandria cotton bale	=	736 lbs. nett
	=	758 lbs. gross
1 ardeb of maize	=	140 kilogrammes
1 ardeb of wheat	=	150 kilogrammes
1 feddan	=	1.038 acres.

National Archives of Australia NAA: A6740, EGYPT

CONFIDENTIAL

E G Y P T

Economic Report for May, 1945 prepared by the Acting First Secretary (Commercial) to His Majesty's Embassy at Cairo.

1. GENERAL CREDIT POSITION

There was an increase of £E.1 million in the total of the note issue during April, 1945, bringing it to £E.126,000,000. This compares with £E.102,600,000 at the end of April, 1944 and £E.80,100,000 a year earlier.

Cover for the note issue was made up as follows as at the end of March, 1944 and 1945:-

Position at 31.3.44 £E.		Position at 31.3.45 £E.	Percentage of cover %
6,240,583	Gold.	6,240,583	4.99
45,109,417	British Treasury Bonds		
1,500,000	Egyptian Govt. Bonds	118,759,417	95.01
49,850,000	British Treasury Bills & War Loan.		
102,700,000		125,000,000	100.--

2. STOCK EXCHANGES.

(a) Share & Bond Values on Local Markets.
(Index: Banque Belge et Internationale en Egypte).

(1) Equities:-

	April, 1945				Highest & Lowest Indices in 1940/45	
	6th	12th	20th	27th	Highest	Lowest
Five Banks	170.5	171.9	175.4	175.8	176.7	77.4
Six Public Enterprise Cos.	172.2	175.6	174.7	175.9	187.2	82.6
Twelve Land & Buildg. Cos.	242.7	243.7	249.3	252.4	265.4	79.1
Twenty Industrial Cos.	207.9	207.0	210.8	212.0	234.3	78.9
GENERAL INDEX OF SHARES:-	193.3	194.2	197.4	198.6	210.3	90.2
(ii) Fixed Interest:-						
Six Govt. & Municip. Funds.	108.5	108.6	106.7	106.8	140.9	90.2
Nine Mortgage Co. Stocks	120.9	122.1	119.2	118.9	139.6	92.3
Five Other Cos.	161.4	160.4	159.9	159.1	179.0	97.9
GENERAL INDEX OF BONDS:-	114.6	114.7	112.8	112.8	141.8	96.5

These indices compare with the Bourse figures of the 1st January, 1940, represented by the number 100.

After a short period of uncertainty following the news of the end of the war in Europe, confidence was quickly restored on the local Stock Exchanges and there was a substantial amount of buying in evidence, the demand being always a little ahead of the supply. The Minister of Finance's speech introducing the 1945-46 budget was well received by the Bourse and assisted in maintaning the firm tone of the market.

National Archives of Australia NAA: A6740, EGYPT

Closing quotations on the 31st May for the shares listed in the preceding report were as follows:-

	30.4.45 PT.	31.5.45 PT.
National Loan 3.1/4%,	10,660	10,650
National Bank of Egypt,	4,816	4,820
Misr Bank,	2,244	2,274
Filature Nationale d'Egypte,	2,206	2,298
Soc. Misr p. la Filature,	2,226	2,284
Anglo-Egyptian Oilfields,	463	484
Sugar Co. Fdrs.,	1,600	1,676

(b) (i) New Companies Formed.

Société d'Autobus El-Mahassen, S.A.E., Authorised Capital: £E. 60,000.

The Nile Works Co., S.A.E., Authorised Capital: £E. 30,000

(b) (ii) Capital Increases.

Helwan Portland Cement Company, Capital Increased from £E. 400,000 to £E. 600,000.

3. BUDGET

(a) A Ministerial Order, No.33 of the 30th April, provisionally applied the terms of the 1944/45 Budget to the financial year 1945/46, pending the promulgation of the Budget for the latter year.

(b) The following are the provisional returns of Government revenue and expenditure for the full financial year 1944/45 ending April 30th, 1945:-

	May, 1943 to April, 1944 £E.	May 1944 to April, 1945 £E.
Revenue,	77,190,000	87,000,000
Expenditure,	68,940,000	79,905,000
Supplementary Expenditure,	7,380,000	5,055,000

(c) Customs and Excise receipts for May, 1945 (the first month of the new financial year) show a small decline at £E.2,407,000 compared with £E.2,469,000 in May, 1944.

4. PRICE LEVELS. As previously reported

5. COMMERCIAL PAYMENTS.
6. EXCHANGE.
7. CLEARINGS.

No changes to report.

8. FOREIGN TRADE.
(A) Total Trade (excluding bullion and specie).

	January to April 1944 £E.	January to April 1945 £E.	Inc. (+) or Dec. (-) in 1944 - 1945 £E.
Imports	15,045,000	17,667,000	+ 2,622,000
Exports & Re-exports,	12,187,000	13,540,000	+ 1,353,000
Trade Balance:	- 2,858,000	- 4,127,000	

(B) Imports during April were again on a high level totalling £E.5,448,000. The shares of the leading suppliers were as follows:- Chile, £E.910,000, United Kingdom, £E.595,000, U.S.A., £E.582,000; Iran, £E.468,000, Turkey, £E.447,000, Iraq, £E.424,000 and Canada, £E.424,000.

National Archives of Australia NAA: A6740, EGYPT

The shares of the principal supplying countries during the first four months of 1944 and 1945 were as under:-

	Jan/April, 1944	Jan/April, 1945
	£.E.	£.E.
United Kingdom,	1,710,000	2,774,000
U.S.A.,	2,100,000	2,227,000
Iran,	2,328,000	1,924,000
Turkey,	1,281,000	1,706,000
Iraq,	1,320,000	1,599,000
Canada,	596,000	1,176,000
Chile,	680,000	910,000
South Africa,	737,000	872,000
India,	863,000	749,000

(C) Exports during April totalled £E.5,247,000, being much above the totals of recent months owing to large shipments of raw cotton and rice. The principal purchasing countries were: India, £E.2,391,000, the United Kingdom, £E.1,419,000, Ceylon, £E.859,000, and Australia, £E.251,000.

For the first four months of 1944 and 1945, exports to Egypt's principal customers were valued as under:-

	Jan/April, 1944	Jan/April, 1945
	£E.	£E.
India,	3,868,000	4,588,000
United Kingdom,	3,407,000	4,132,000
Ceylon,	427,000	1,179,000
France,	-	598,000
Palestine,	651,000	361,000
U.S.A.	1,404,000	16,000

9. CUSTOMS & EXCISE TARIFF

Two further decrees amending customs and excise duties were published on the 5th May. The first imposes an excise of consumption duty on locally-produced or imported brandy (cognac) of 150 milliemes per litre of liquid, in addition to the excise duty on the alcohol content. The same decree increases the excise or consumption duty on beer from £E.2. 400 m/ms. to £E.3. 000 m/ms. per hectolitre of liquid.

The second decree increases the import duty on ordinary wines from 20% with a minimum of 10 milliemes per litre to 20% with a minimum of 30 milliemes per litre.

10. COTTON.

Rather more than 50,000 bales were shipped during May, chiefly to the United Kingdom and India. Exports for the season down to the end of May were as follows, compared with the corresponding period of last season:-

1st Sept. 1943 to 31st May, 1944 Bales.	Country	1st Sept. 1944 to 30th May, 1945 Bales	Inc. (+) or Dec. (-) in 1944-1945. Bales.
256,715	United Kingdom	206,916	- 49,799
109,483	India.	115,131	+ 5,648
1,068	Portugal.	2,668	+ 1,600
46,612	U.S.A.	2,260	- 44,352
28,018	Other Countries.	21,393	- 6,625
441,896	Total.	348,368	- 93,528

The final estimate of the 1944 cotton crop recently issued by the Ministry of Agriculture places the total at 4,640,262 cantars or about 153,000 cantars more than the first estimate.

National Archives of Australia NAA: A6740, EGYPT

11. CEREALS

It did not unfortunately prove possible to deliver to the Egyptian Government the whole of the outstanding balance of 150,000 tons of wheat by the 31st May, and 5,900 tons were out-standing on that date owing to (a) considerable reductions in the past in the Wheat Pool and (b) the short-fall in shipping of wheat during May. The balance was, however, delivered by June, 9th.

The Egyptian wheat crop was seriously late this year, in part at least owing to the unfavourable weather at the beginning of May, and a rather tight situation in wheat supplies in the towns developed. This was, however, finally overcome.

The acreage of the wheat crop for 1944/45 is returned at 1,646,930 feddans and barley at 358,613 feddans. No official estimate of the size of the wheat crop has been issued but it is stated unofficially that the crop should yield 8,000,000 ardebs (compared with the 1943/44 crop of 6,307,000 ardebs).

Total allocations of water for rice cultivation now amount to 728,000 feddans, but it appears unlikely that the actual area sown will exceed last year's figure of 620,000 feddans, especially as the Government is only allowing sufficient nitrates for rice to fertilise 440,000 feddans.

12. OTHER SUPPLY MATTERS

Proclamation No. 590 of the 19th May fixes the maximum prices chargeable by tailors and dressmakers for cutting and making up suits, etc.

13. MISCELLANEOUS

It is reported in the press that a draft commercial agreement between Egypt and the U.S.S.R. is now under discussion at the Ministry of Foreign Affairs. Egypt has at present no commercial agreement of any kind with the U.S.S.R., whose products are accordingly liable to a 100% customs surtax on importation into Egypt.

The Egyptian Government have decided that the Aswan Dam Hydro-Electric project, regarding which negotiations have been proceeding for many years, shall be put out to international tender on the condition that the tender is completed and work begins within one year. They have further decided that the nitrate plant shall be privately owned.

Note:

1 cantar = 45 kilogrammes	=	100 lbs. approx.
1 Alexandria cotton bale	=	736 lbs. nett
	=	758 lbs. gross.
1 ardeb of maize	=	140 kilogrammes.
1 ardeb of wheat	=	150 kilogrammes.
1 feddan	=	1.038 acres.

D 65320-3 22 D/d R.34 7/45

National Archives of Australia NAA: A6740, EGYPT

Confidential

E G Y P T

Economic report for April, 1945 prepared by the Acting First Secretary (Commercial) to His Majesty's Embassy in Cairo.

---

1. General Credit Position

A further rise of £E.2 millions during March brought the total of the Egyptian note issue to £E.125,000,000. This compares with £E.102,700,000 at the end of March, 1944, and £E.72,800,000 a year earlier.

The volume of business through the Banking Clearing Houses during the first quarter of 1945 totalled £E.89,633,000, compared with £E.88,855,000 in the corresponding quarter of 1944.

2. Stock Exchanges

(a) Share & Bond Values on Local Markets.
(Index: Banque Belge & Internationale en Egypte)

(i) Equities:-

	March 1945					Highest & Lowest Indices in 1940/45	
	2nd	9th	16th	23rd	28th	Highest	Lowest
Five Banks	173.2	171.9	171.9	172.5	176.7	176.7	77.4
Six Public Enterprise Cos.	177.4	178.6	177.5	177.8	179.1	187.2	82.6
Twelve Land & Building Cos.	251.8	250.9	250.2	250.8	246.4	265.4	79.1
Twenty Industrial Cos.	211.9	212.2	211.5	212.2	210.0	234.3	78.9
GENERAL INDEX OF SHARES:	197.7	197.4	196.8	197.4	197.9	210.3	90.2
(ii) Fixed Interest:-							
Six Govt. & Municip. Funds	105.0	106.4	106.8	107.1	106.9	140.9	90.2
Nine Mortgage Co. Stocks	123.8	123.9	122.3	122.1	121.4	139.6	92.3
Five Other Cos.	165.4	162.6	162.7	162.7	161.4	179.0	97.9
GENERAL INDEX OF BONDS:	112.5	113.5	113.5	113.7	113.5	141.8	96.5

These indices compare with the Bourse figures of the 1st January 1940, represented by the number 100.

Apart from the continued interest in the 3 1/4% National Loan, which at one period rose to PT.10,875, and a sharp rise in National Bank of Egypt shares, there was not a great deal of movement on the local Bourses during April. In general, however, the month ended on a firm tone.

Closing quotations on the 30th April for the shares listed in the preceding report were as under:-

	28.3.45 PT.	30.4.45 PT.
National Loan 3 1/4%,	10,700	10,660
National Bk. of Egypt,	4,486 ex Div.	4,816
Misr Bank,	2,202	2,244
Filature Nationale d'Egypte,	2,130	2,206
Soc. Misr pour la Filature,	2,156	2,226
Anglo-Egn. Oilfields,	443	463
Sugar Co. Fdrs.	1,590	1,600

(b) (i) New Companies Formed.

Société des Autobus du Nord, S.A.E.,
Authorised Capital, £E.50,000

Egyptian Plastics & Electrical Industries, S.A.E.,
Authorised Capital, £E.80,000

Société d'Alimentation Generale, S.A.E.
Authorised Capital, £E.20,000

(b) (ii) Capital Increases

	Capital increased From £E	To £E
Soc. de Transports, Expéditions & Assurances "Pharos"	25,000	75,000
Tractor & Engineering Co. of Egypt,	120,000	200,000
Grands Magasins Cicurel, S.A.E.,	250,000	500,000

National Archives of Australia NAA: A6740, EGYPT

3. Budget

(a) As previously reported.

(b) The following are provisional figures of Government revenue and expenditure for the eleven months ending March and the financial years 1943-44 and 1944-45:-

	May 1943 to March, 1944	May 1944 to March, 1945
	£E.	£E.
Revenue,	69,600,000	77,691,000
Expenditure,	51,674,000	59,335,000
Supp. Expenditure,	3,824,000	1,205,000

(c) Customs and excise receipts for the full financial year 1944-5 totalled £E.29,374,000, compared with £E.24,082,000 in 1943-44, an increase of £E.5,292,000. Of the 1944-45 total, tobacco duties accounted for £E.15,065,000, excise duties for £E.7,523,000 and import duties for only £E.5,356,000.

4. Price Levels

The following table gives the index numbers of whole-sale prices of twenty-six principal commodities in Cairo and Alexandria markets. (Basis: 1st January, 1913 to 31st July, 1914 = 100).

	CAIRO			ALEXANDRIA		
	1943	1944	1945	1943	1944	1945
October	237	288		233	281	
November	243.5	291		241	284	
December	264	295		242	289	
January			300			295.5
February			293.5			287.6
March			292.4			287.0

It is noteworthy that a fairly substantial decline occurred in the wholesale prices index number during February and March. It remains to be seen whether this is likely to continue and whether it will in due course be reflected in a reduction in the cost of living index.

Wholesale prices and cost of living indices as compared with 1939 are as under. (Basis: June/August 1939 = 100):-

	Wholesale Prices	Cost of Living
September 1939	109	103
December 1940	143	122
December 1941	182.5	156
December 1942	251	215
December 1943	292.7	257.2
December 1944	330.3	292.2
January 1945	333.1	293.1
February 1945	334.2	294.1
March 1945	334.2	295.6

5. Commercial Payments.
6. Exchange
7. Clearings

No changes to report.

9. Foreign Trade

(A) Total Trade (excluding bullion and specie).

	January to March 1944 Bales	January to March 1945 Bales	Inc. (+) or Dec. (-) in 1944 - 1945 Bales
Imports,	11,614,000	12,219,000	+ 605,000
Exports & Re-exports.	9,772,000	8,050,000	- 1,722,000
Trade Balance	- 1,842,000	- 4,169,000	

(B) There was a big rise in imports during March 1945, when the total reached £E.5,734,000. The principal supplying countries were the United Kingdom, £E.1,110,000), Iran (£E.798,000), Canada (£E.691,000), the United States of

National Archives of Australia NAA: A6740, EGYPT

America (£E.665,000), Iraq (£E.507,000) and Turkey (£E.463,000).

For the first quarters of 1944 and 1945 the shares of the leading exporters to Egypt were as follows:-

	Jan/March, 1944	Jan/March, 1945
	£.E.	£.E.
United Kingdom,	1,196,000	2,179,000
U.S.A.	1,566,000	1,645,000
Iran,	2,112,000	1,456,000
Turkey,	988,000	1,259,000
Iraq,	914,000	1,175,000
Canada,	325,000	752,000
South Africa,	505,000	556,000
India,	746,000	543,000

(c) Exports during March, 1945 totalled only £E.1,977,000, of which the share of the United Kingdom was £E.975,000 and France £E.598,000 (chiefly raw cotton in both cases).

Exports to the leading purchasing countries for the first three months of 1944 and 1945 were valued as under:-

	Jan/March, 1944	Jan/March, 1945
	£.E.	£.E.
United Kingdom,	3,164,000	2,713,000
India,	3,314,000	2,197,000
France,	-	598,000
Ceylon,	414,000	320,000
Palestine,	252,000	249,000
U.S.A.	1,283,000	-

9. Customs and Excise Tariff

By decree dated the 28th April, 1945, the additional duty of 10% of the total customs and excise duties continues in force for a further period of one year.

A further decree of the 1st May, 1945, increases the import duties on tobacco, cigarettes and cigars by P.T. 6 per kilo nett.

Another decree of the same date increases the general "ad valorem" duty on all imported goods from 4 to 5 per cent.

10. Cotton

About 70,000 bales were shipped during April, divided between the United Kingdom, India, France and Australia. The following table shows exports for the first eight months of the seasons 1943-44 and 1944-45:-

1st Sept. 1943 to 26th April 44 Bales	Country	1st Sept. 1944 to 25th April 45 Bales	Inc. (+) or Dec. (-) in 1944-45 Bales
253,871	United Kingdom	183,264	- 70,607
96,150	India	91,718	- 4,432
1,068	Portugal	2,668	+ 1,600
46,112	U.S.A.	-	- 46,112
12,333	Other Countries	16,734	+ 4,401
409,534	Total	294,384	115,150

It is noteworthy that the Egyptian Government have not so far been called upon to purchase any cotton whatever from the 1944 crop under their undertaking to buy any quantities offered to them at fixed prices. The reason is that open market levels have been consistently higher than those prices.

11. Cereals

After considerable discussion of the question of cost of production in relation to cereal prices, the Council of Ministers finally decided that the legal wheat price should remain the same as last year, i.e. PT.400 per ardeb, but that the barley price should be increased from PT.250 to PT.270 per ardeb and the maize price from PT.285 to PT.300.

National Archives of Australia NAA: A6740, EGYPT

Official estimates of the areas under wheat, barley, beans and lentils this year, compared with 1943-44, are as under:-

	1943-44 Feddans	1944-45 Feddans
Wheat,	1,650,965	1,646,930
Barley,	331,008	358,613
Beans,	424,755	392,358
Lentils,	81,355	74,949

Under Proclamation No. 570 of the 2nd April, all barley cultivators are ordered to deliver to the Government at the legal price, a proportion of their 1945 crop to be fixed by arrete.

Proclamation No. 583 of the 29th April similarly orders the delivery to the Government of a proportion of the 1944 wheat crop at the legal price.

Forecasts indicate that this year's Nile flood is likely to be a low one. The water so far allocated to rice cultivation is not sufficient to irrigate more than 400,000 feddans (against last years' 620,000 feddans).

12. Other Supply Mattters

The 1945 onion crop is estimated to produce 3,050,000 cantars, compared with 2,466,000 cantars in 1944.

Under Proclamation No.569 of the 2nd April, 1945, the penalties for offences against the hoarding and profiteering laws were considerably increased. The new penalties are imprisonment with hard labour for from three to five years and a fine of from £E.200 to £E.1,000, and the closing down of the business of the offender for from one week to fifteen days. For a second offence, the penalties are doubled and the tribunal may order the permanent closing of the business. In addition, the offender may be condemned to a maximum of fifty lashes. In all cases, the goods forming the object of the prosecution will be seized and confiscated.

Two orders by the Minister of Commerce and Industry (Nos. 81 and 91 of 1945) were recently issued fixing the maximum permissible profit for manufacturers, wholesalers, and retailers of a wide variety of ready-made underwear and clothing, towels and blankets, rayon piece goods and yarns, etc.

Under Proclamation No. 568 of the 2nd April, the number of meatless days in Egypt is reduced from three to two.

Proclamation No. 578 of the 22nd April orders flax cultivators to deliver to the Government two ardebs of "H indi" seed and one ardeb of "Baladi" seed at the fixed prices of £E.40 and £E.35 per ton respectively.

13. Miscellaneous

Under the terms of Proclamation No. 572 of the 4th April, certain of the provisions of Egypt's trading with the enemy and exchange control legislation are relaxed as regards liberated countries.

Decrees were published in the "Journal Officiel" No. 59 of the 9th April prolonging for a further period of one year the provisional commercial conventions between (a) Egypt and the United Kingdom and Northern Ireland and (b) Egypt and Eire.

Note:

1 cantar = 45 kilogrames	=	100 lbs. approx.
1 Alexandria cotton bale	=	736 lbs. nett
	=	758 lbs. gross.
1 ardeb of maize	=	140 kilogrammes.
1 ardeb of wheat	=	150 kilogrammes.
1 feddan	-	1.038 acres.

National Archives of Australia NAA: A6740, EGYPT

Confidential

EGYPT

Economic Report for March, 1945 prepared by the Acting First Secretary (Commercial) to His Majesty's Embassy at Cairo

1. General Credit Position

There was a rise of £E.1 million in the total of the note issue during February to £E.123 millions. This compares with £E.102.7 millions for February 1944 and £E.76.9 millions a year earlier.

2. Stock Exchanges

(a) Share & Bond Values on Local Markets.
(Index : Banque Belge et Internationale en Egypte).

(i) Equities :-

	February, 1945				Highest & Lowest Indices in 1940/45	
	2nd	9th	16th	23rd	Highest	Lowest
Five Banks	167.3	168.1	168.8	169.7	171.5	77.4
Six Public Enterprise Cos.	192.7	166.2	177.2	177.3	187.2	82.6
Twelve Land & Building Cos.	250.3	249.2	249.6	244.9	265.4	79.1
Twenty Industrial Companies	209.8	210.5	210.6	211.9	234.3	78.9
GENERAL INDEX OF SHARES	196.8	193.3	195.3	195.4	210.3	90.2

(ii) Fixed Interest :-

Six Govt. & Municip. Funds	104.4	104.6	104.8	104.9	140.9	90.2
Nine Mortgage Co. Stocks	121.1	120.6	119.8	119.6	139.6	92.3
Five Other Cos.	167.6	168.9	168.9	167.8	179.0	97.9
GENERAL INDEX OF BONDS	111.9	112.1	112.3	112.1	141.8	96.5

The above indices compare with the Bourse figures of the 1st January 1940, represented by the number 100.

Conditions were comparatively quiet on the Egyptian Bourses during March and the war news had the effect of depressing prices. In the main there were declines in most of the principal shares, a notable exception being the National Loan, which rose by PT.225 during the month.

Closing quotations on the 28th March for the shares listed in the February report were as under :-

	28.2.45 PT.	28.3.45 PT.
National Loan 3½%	10,475	10,700
National Bank of Egypt	4,580	4,486 (ex Div)
Misr Bank	2,252	2,202
Filature Nationale d'Egypte	1,950	2,130
Soc. Misr p. la Filature	2,262	2,156
Anglo-Egyptian Oilfields	450	443
Sugar Co. Fdrs.	1,664	1,590

(b) (i) New Companies Formed. Nil.

(b) (ii) Capital Increases

Les Fils Islam Pasha, S.A.E. Capital increased from £E.30,000 to £E.50,000.

Société Egyptienne de Conserves Alimentaires, S.A.E. Capital increased from £E.25,000 to £E.75,000.

National Archives of Australia NAA: A6740, EGYPT

3. Budget

(a) As previously reported.
(b) As previously reported.
(c) Customs and Excise receipts for the first eleven months of the current financial year totalled £E.26,458,000, compared with £E.22,016,000 in the corresponding period of 1943-44, an increase of £E.4,442,000.

4. Price Level

The official index numbers of wholesale prices of twenty-six principal commodities in Cairo and Alexandria markets are given below. (Basis : 1st January 1913 to 31st July, 1914 = 100) :-

	CAIRO			ALEXANDRIA		
	1943	1944	1945	1943	1944	1945
August	228	281		225	277	
Sept.	237	275		232	272	
Oct.	237	288		233	281	
Nov.	243.5	291		241	284	
Dec.	264	295		242	289	
Jan.	-	-	300	-	-	295.5

Wholesale prices and cost of living indices as compared with 1939 are as follows. (Basis : June/August 1939 = 100).

	Wholesale Prices	Cost of Living
September 1939	109	103
December 1940	143	122
December 1941	182.5	156
December 1942	251	215
December 1943	292.7	257.2
December 1944	330.3	292.2
January 1945	333.1	293.1

5. Commercial Payments
6. Exchange
7. Clearings

No changes to report.

8. Foreign Trade

(A) Total Trade, (excluding bullion and specie).

	January/ February 1944 £E.	January/ February 1945 £E.	Inc. (+) or Dec. (-) in 1945 £E.
Imports	7,611,000	6,485,000	- 1,126,000
Exports & Re-exports	5,984,000	5,873,000	- 111,000
Trade Balance :	- 627,000	- 612,000	

(B) Imports from the leading supplying countries during February 1945 were as follows :- United Kingdom, £E.545,000; U.S.A. £E.432,000; Turkey, £E.367,000; Iraq, £E.288,000; Iran, £E.208,000. Total imports, £E.3,104,000.

National Archives of Australia NAA: A6740, EGYPT

For the two months ending February 1944 and 1945, the shares of the leading suppliers were as follows :-

	Jan/Feb. 1944 £E.	Jan/Feb. 1945 £E.
United Kingdom	785,000	1,069,000
U.S.A.	1,040,000	980,000
Turkey	679,000	796,000
Iran,	955,000	658,000
Iraq	643,000	668,000
South Africa	330,000	380,000
India	510,000	297,000

(C) Exports to the principal purchasing countries during February 1945 totalled £E.3,473,000, the chief outlets being the United Kingdom, £E.1,521,000 and India, £E.1,499,000.

For the first two months of 1944 and 1945 the shares of the leading purchasing countries were as under:-

	Jan/Feb.1944 £E.	Jan/Feb.1945 £E.
India	1,763,000	2,150,000
United Kingdom	2,073,000	1,738,000
Ceylon	402,000	259,000
U.S.A.	776,000	-

9. Customs and Excise Tariff

No changes to report.

10. Cotton

The only movement of any importance during March was the shipment of about 19,000 bales to the United Kingdom. For the first six months of the seasons 1943-44 and 1944-45 exports were as follows :-

1st Sept. 1943 to 29th March 1944 Bales	Country	1st Sept. 1944 to 28th March 1945 Bales	Inc. (+) or Dec. (-) in 1944 - 1945 Bales.
252,371	United Kingdom	160,209	- 92,162
80,183	India	61,265	- 18,918
1,068	Portugal	2,668	+ 1,600
44,622	U.S.A.	-	- 44,622
9,156	Other Countries	2,015	- 7,141
387,400	Total	226,157	- 161,243

11. Cereals

The final official estimates of the maize, millet and rice crops for 1944, compared with last year, are as under :-

		Area Feddans	Total Production Ardebs
Maize (Nili)	1944	1,890,828	10,911,000
	1943	1,915,232	9,657,000
Millet (Nili)	1944	73,372	366,000
	1943	79,075	390,000
			Daribas
Rice (Seifi & Nili)	1944	619,770	862,000
	1943	642,121	725,000

National Archives of Australia NAA: A6740, EGYPT

The distribution of nitrates for the wheat crop is now finished and it will soon be known whether the 150,000 tons which have been made available were sufficient to meet all demands. Meanwhile supplies for Seifi crops have been arriving satisfactorily; and of the 80,000 tons allocated, some 53,000 tons have either arrived or have been advised as loaded.

The 1945 wheat crop appears to have made good progress and promises well.

At a meeting of the Joint Wheat Board on the 12th March, a satisfactory position as regards bread flour adulterants up to the 1st August was disclosed. For the three months August to October the Ministry of Supplies proposes to use a 20% adulteration of barley, requiring 100,000 ardebs a month, and to institute compulsory collection of new crop barley from the cultivators for the purpose. Of the 150,000 tons of imported wheat required, 65,000 tons have been delivered or are in course of delivery.

12. Other Supply matters

The recent census for rationing purposes shows the present population of Egypt to be 19,037,242 compared with 15,787,149 at the last census in 1937. Cairo registers 2,012,243 against 1,300,978 and Alexandria 978,530 against 685,736. There seems little doubt that these returns have been exaggerated by householders in order to secure extra rations. The actual total population for Egypt is now probably in the neighbourhood of 18,000,000.

Ministry of Commerce and Industry arreté No. 53 of 27th February fixes the maximum profit for importers and traders in woollen yarn at 30% of the landed cost or purchase price respectively.

A ration system for men's woollen suitings at 3 metres per head per annum has recently been introduced.

Note:

1 cantar = 45 kilogrammes	=	100 lbs. approx.
1 Alexandria cotton bale	=	736 lbs. nett.
	=	758 lbs. gross.
1 ardeb of maize	=	140 kilogrammes
1 ardeb of wheat	=	150 kilogrammes
1 feddan	=	1.038 acres

National Archives of Australia NAA: A6740, EGYPT

Confidential

E G Y P T

Economic Report for February, 1945, Prepared by the Commercial Counsellor To His Majesty's Embassy at Cairo

1. GENERAL CREDIT POSITION

The total of the note issue at the end of January 1945 was £E.122 millions, showing no change for the month. This total compares with £E.101.1 millions for January 1944 and £E.77 millions a year earlier.

2. STOCK EXCHANGES

(a) Share & Bond Values on Local Markets

January statistics not yet received.

Following the fixing of minimum quotations at the end of January, there was very little activity on the Bourse during the first three weeks of February and the market was weak. Towards the end of the month, however, prices tended to rise and in view of the firmer tendency, the Minister of Finance was able to suppress the minimum rates on the 2nd March.

Closing quotations on the 28th February for the shares listed in the preceding report in this series, with comparative figures for the 31st January, were as follows:-

	31.1.45 PT.	28.2.45 PT.
National Loan 3¼%	10,440	10,475
National Bank of Egypt	4,434	4,580
Misr Bank	2,180	2,252
Filature Nationale d'Egypte,	2,190	1,950
Soc. Misr p. la Filature, etc.	2,290	2,262
Anglo-Egyptian Oilfields	446	450
Sugar Co. Founders	1,580	1,664

(b) (i) New Companies Formed

	Authorised Capital £.E.
Le Scribe Egyptien, S.A.E.	50,000
Soc. Nationale de Matières Plastiques, S.A.E.	50,000
The Alexandria & Khartoum Trading Co., S.A.E.	70,000

64610-4

National Archives of Australia NAA: A6740, EGYPT

(b) (ii) Capital Increases

	Capital Increased From £E.	To £E.
Ammoniac & Chemical Co., S.A.E.	6,000	18,000
Comptoir Egyptien d'Importation & Exportation, S.A.E.	6,000	10,000
Alexandria Engineering Works, S.A.E.	28,800	36,000

3. BUDGET

(a) As previously reported.

(b) Provisional figures of Government revenue and expenditure for the first nine months of the financial years 1943-44 and 1944-45 are as under:-

	May 1943/Jan. 44 £E.	May 44/Jan. 45 £E.
Revenue	53,107,000	60,918,000
Expenditure	40,114,000	45,978,000
Supplementary Expenditure	1,140,000	1,205,000

(c) Customs and excise receipts for the ten months May 1944/February 1945 totalled £E.23,736,000, compared with £E.19,822,000 in the corresponding period of 1943-44, an increase of £E.3,914,000.

4. PRICE LEVELS

The official index numbers of wholesale prices of twenty six principal commodities in Cairo and Alexandria markets are given in the following table. (Basis : 1st January, 1913 to 31st July, 1914 = 100).

	CAIRO			ALEXANDRIA		
	1942	1943	1944	1942	1943	1944
July	180	224	267	179	223	265.5
August	188	228	281	186.5	225	277
Sept.	197	237	275	196	232	272
Oct.	199.4	237	288	200	233	281
Nov.	212	243.5	291	208	241	284
Dec.	214	264	295	210	242	289

64610-4

National Archives of Australia NAA: A6740, EGYPT

Wholesale prices and cost of living indices as compared with 1939 are as follows. (Basis : June - August 1939 = 100):-

	Wholesale Prices	Cost of Living
September, 1939	109	103
December, 1940	143	122
December, 1941	182.5	156
December, 1942	251	215
December, 1943	292.7	257.2
December, 1944	330.3	292.2

5. COMMERCIAL PAYMENTS
6. EXCHANGE
7. Clearings

No changes to report.

8. FOREIGN TRADE

(A) Total trade (excluding bullion & specie)

	January 1944 £E.	January 1945 £E.	Inc. (+) or Dec. (-) in 1945 £E.
Imports,	3,652,000	3,381,000	- 271,000
Exports and Re-exports,	2,695,000	2,071,000	- 624,000
Trade Balance :	- 957,000	- 1,310,000	

(B) Imports from the leading supplying countries during January, 1945, with comparative figures for January, 1944, were as follows:-

	January 1944 £E.	January 1945 £E.
U.S.A.	538,000	548,000
United Kingdom	321,000	524,000
Iran	789,000	450,000
Turkey	357,000	429,000
Iraq	426,000	380,000
South Africa	223,000	183,000
Palestine	149,000	144,000
India	242,000	142,000

64610-4

National Archives of Australia NAA: A6740, EGYPT

(C) Exports during January 1945 to Egypt's principal customers were as under, with comparative figures for January 1944:-

	January 1944	January 1945
	£E.	£E.
India	754,000	651,000
Ceylon	8,000	259,000
United Kingdom	887,000	217,000
U.S.A.	428,000	-

9. CUSTOMS & EXCISE TARIFF

By a decree dated 31st January, 1945, the import duty on oranges was reduced to 400 m/ms. per 100 kilos gross for the period from 1.2.1945 to 30.4.1945.

10. COTTON

Exports of raw cotton were slightly better during February, about 60,000 bales being exported to the United Kingdom and India. The following table gives details of exports from the beginning of the season to the end of February for the current and last seasons:-

1st Sept. 1943 to 1st March 1944 Bales	Country	1st Sept. 1944 to 29th Feb. 1945 Bales	Inc. (+) or Dec. (-) in 1944-45 Bales
229,246	United Kingdom	141,286	- 87,960
63,258	India	60,594	- 2,664
1,068	Portugal	2,668	+ 1,600
36,358	U.S.A.	-	- 36,358
8,250	Other Countries	1,915	- 6,335
338,180	Total	206,463	- 131,717

11. CEREALS

It is anticipated that the wheat crop is likely to be exceptionally late this year owing to the abnormally cold winter.

Owing to Parliamentary pressure the Egyptian Government have been compelled to abandon further compulsory collection of maize.

12. MISCELLANEOUS

Ministry of Finance Arrêté No. 12 of 1945 reduces the rate of interest of Post Office Savings Bank deposits from 2% to 1% as from 1st September 1945. The rate was 2½% prior to the 1st June 1944.

The Egyptian Government have set up an Advisory Labour Council composed of industrial and other interests concerned. The Council includes two British members.

National Archives of Australia NAA: A6740, EGYPT

Ministry of Finance Arrêté No.3 of the 29th January authorised imports from the following countries without import licences:- Palestine (except for oranges), Syria, Lebanon, Iraq, Hedjaz, Yemen, Aden, Cyprus, Malta, Transjordan, Eritrea and Libya.

Egypt declared war on Germany and Japan with effect from the 26th February, 1945.

NOTE:

1 cantar = 45 kilogrammes	=	100 lbs. approx.
1 Alexandria cotton bale	=	736 lbs. nett.
	=	758 lbs. gross.
1 ardeb of maize	=	140 kilogrammes.
1 ardeb of wheat	=	150 kilogrammes.
1 feddan	=	1.038 acres.

D 64610-4 22 D/d R.34 4/45

National Archives of Australia NAA: A6740, EGYPT

Confidential

E G Y P T

Economic Report for January, 1945, prepared by the Commercial Counsellor to His Majesty's Embassy at Cairo

1. GENERAL CREDIT POSITION

The total of the note issue reached £E.117 millions for October, £E.120 millions for November, and by the end of 1944 totalled £E.122 millions. This compares with £E.101.4 millions at the close of 1943 and £E.79.2 millions a year earlier.

2. STOCK EXCHANGES

(a) Share and Bond Values on Local Markets.
(Index: Banque Belge & International en Egypte).

(i) Equities:-

	December, 1944.					Highest & Lowest Indices in 1940/44	
	2nd	8th	15th	22nd	29th	Highest	Lowest
Five Banks	168.7	168.5	168.9	169.6	169.8	170.1	77.4
Six Public Enterprise Cos.	176.4	178.2	178.5	177.9	180.6	187.2	82.6
Twelve Land & Building Cos.	247.4	246.9	247.6	250.9	258.2	264.3	79.1
Twenty Industrial Cos.	217.4	216.8	214.7	214.6	214.3	234.4	78.9
GENERAL INDEX OF SHARES	197.1	196.9	196.6	197.2	198.6	210.3	90.2
(ii) Fixed Interest:-							
Six Govt. & Municip. Funds	102.7	103.0	103.5	103.6	104.2	140.9	90.2
Nine Mortgage Co. Stocks	122.0	122.1	122.5	121.7	122.1	139.6	92.3
Five Other Cos.	172.2	173.1	172.2	172.3	170.9	179.0	97.9
GENERAL INDEX OF BONDS	111.5	111.8	112.2	112.2	112.6	141.8	96.5

64610-3

National Archives of Australia NAA: A6740, EGYPT

These indices compare with the Bourse quotations of the 1st January, 1940, represented by the number 100.

During the first half of January conditions were firm on the local Bourse and there was an upward movement in the principal shares. Towards the middle of the month, however, the success of the Russian offensive on the Eastern Front and the better news from the Western Front, with the expectation of an early end to the war in Europe, caused a relatively heavy decline in quotations. By the end of January many shares had fallen by 10% or more as compared with the previous month. On the 30th January the Minister of Finance, in consultation with the Bourse Commissions, fixed minimum quotations with a view to putting an end to the threatened slump. These were as follows:-

State Funds and Fixed Interest Shares,	1% below the quotations of 29.1.45.
Other Shares,	2% below the quotations of 29.1.45.

Closing quotations on the 31st January for the shares listed in the preceding report were as follows:-

	29.12.44	31.1.45
	PT.	PT.
National Loan 3½%	10,420	10,440
National Bank of Egypt,	4,430	4,434
Misr Bank	2,400	2,180
Filature Nationale d'Egypte,	2,334	2,190
Soc. Misr p/ la Filature &c.,	2,650	2,290
Anglo-Egyptian Oilfields,	468	446
Sugar Co. Fdrs.	1,826	1,520

(b) (i) New Companies Formed.

Nil-Paris, Société de Productions Cinématographiques, S.A.E., Authorised capital, £E.60,000.

(ii) Capital Increases.

Les Fils Islam Pasha,	Capital increased from £E.8,000 to £E.30,000.
Industrie Fibres Textiles, S.A.E.,	Capital increased from £E.75,000 to £E.125,000.

64610-3

National Archives of Australia NAA: A6740, EGYPT

3. BUDGET

(a) The Press reports that the 1945/46 Budget estimates have been approved by the Cabinet as follows:-

Expenditure,	£E.	86,790,000
Revenue	£E.	84,506,000
Deficit to be drawn from the General Reserve Fund,	£E.	2,284,000

(b) Provisional figures of Government revenue and expenditure for the first eight months of the current financial year are as under:-

	May/Dec. 1943	May/Dec. 1944
	£E.	£E.
Revenue,	45,363,000	53,470,000
Expenditure	36,305,000	40,489,000
Supplementary Expenditure,	768,000	1,205,000

(c) Customs and excise receipts for the nine months May 1944 - January 1945 totalled £E. 21,084,000, compared with £E. 17,561,000 in the corresponding period of 1943-44, an increase of £E. 3,523,000.

4. PRICE LEVELS

The following table gives the official index numbers of wholesale prices of twenty-six principal commodities in Cairo and Alexandria markets (Basis:- 1st January, 1913 to 31st July, 1914 = 100):-

	CAIRO			ALEXANDRIA		
	1942	1943	1944	1942	1943	1944
June,	181	221	265	179	221	260
July,	180	224	267	179	223	265.5
August,	188	228	281	186.5	225	277
Sept.	197	237	275	196	232	272
Oct.	199.4	237	288	200	233	281
Nov.	212	243.5	291	208	241	284

National Archives of Australia NAA: A6740, EGYPT

Official indices of wholesale prices and cost of living as compared with 1939 are given below. (Basis: June-August, 1939 = 100).

	Wholesale Prices	Cost of Living
September, 1939	109	103
December, 1940	143	122
December, 1941	182.5	156
December, 1942	251	215
December, 1943	292.7	257.2
June, 1944	310.5	276.9
November, 1944	329.1	292

5. COMMERCIAL PAYMENTS

6. EXCHANGE.

7. CLEARINGS.

No changes to report.

8. FOREIGN TRADE

(A) Total Trade (excluding bullion & specie).

	1943 £E.	1944 £E.	Inc. (+) or Dec. (-) in 1944 £E.
Imports	39,073,000	50,604,000	+ 11,531,000
Exports & Re-exports,	26,579,000	29,978,000	+ 3,399,000
TRADE BALANCE:	- 12,494,000	- 20,626,000	

(B) Imports during December, 1944 totalled £E.4,904,000, compared with £E.3,406,000 in December 1943. The Principal supplying countries in December, 1944 were Iran (£E.665,000), U.S.A. (£E.605,000), United Kingdom, (£E.602,000), Canada (£E.442,000), Turkey (£E.418,000) and Iraq (£E.402,000).

For the years 1943 and 1944 imports from the principal suppliers were as under:-

	1943 £E.	1944 £E.
U.S.A.	4,303,000	6,682,000
Iran	6,479,000	6,147,000
United Kingdom	7,079,000	6,034,000
Turkey	2,903,000	4,358,000
Chile	3,165,000	4,480,000
Iraq.	2,925,000	4,077,000

(c) Exports (including re-exports) during December, 1944 were valued at £E.5,008,000, compared with £E.1,724,000 in December, 1943. The chief purchasing countries were the United Kingdom (£E.3,177,000) and India (£E.805,000).

Total exports to the principal purchasing countries during 1943 and 1944 were as follows:-

	1943 £E.	1944 £E.
United Kingdom	8,928,000	9,403,000
India	7,447,000	8,568,000
U.S.A.	2,568,000	1,406,000

9. CUSTOMS AND EXCISE TARIFF. No changes to report.

10. COTTON

Cotton exports are moving very slowly this year, only 147,707 bales having been shipped from the beginning of the season to the end of January, 1944.

Details are given in the following table.

1st Sept. 1943 to 2nd Feb. 1944 Bales	Country	1st Sept. 1944 to 31st Jan. 1945 Bales	Inc. (+) or Dec. (-) in 1944-1945 Bales
197,615	United Kingdom	106,863	- 90,752
44,827	India	36,269	- 8,558
1,068	Portugal	2,668	+ 1,600
30,337	U.S.A.	-	- 30,337
7,923	Other Countries	1,907	- 6,016
281,770	Total	147,707	- 134,063

11. CEREALS

An order by the Minister of Agriculture provides that from all holdings of maize of 10 feddans or over, one ardeb per feddan must be delivered to the Government.

The united States Government have withdrawn their offer of 50,000 tons of wheat to the Egyptian Government and urgent enquiries have accordingly been made as to the method of supply of the full 150,000 tons agreed as necessary to meet the current wheat deficit.

64610-3

National Archives of Australia NAA: A6740, EGYPT

12. OTHER SUPPLY MATTERS

In accordance with the arrangements made under the Exchange/Import Control Agreement, Military Proclamation No.556 has been issued by the Egyptian Government, making obligatory the confiscation of goods arriving in Egypt without import licence.

Ministry of Supplies arrêté No.728 of 1944 governing rationing procedure was issued early in January. The new system of ration cards is explained and in particular the procedure as regards sugar and tea. A Sugar Commission and a Tea Commission are set up in the Ministry of Supplies on which the trading interests concerned are represented.

The Ministry of Supplies have authorised an additional ration of kerosene for Cairo of 20% during the winter months. The effect is to restore previous cuts in the ration scale.

The Egyptian Import Permit Office has issued regulations setting out the general principles governing the consideration of applications to import under the Exchange/Import Control Agreement. It is understood that the number of import licence applications received for the month of January during the last week of that month amounted to over 12,000, i.e. more than double the average previously received.

Statistics of the output during 1944 of the principal Egyptian cotton mills recently received are as follows:-

(a)	Total output of cotton yarn,	Kgs.	30,268,000
(b)	Total output of cotton piece goods,	SQ.M.	117,607,000
(c)	Yarn used in (b)	Kgs.	20,352,000
(d)	Yarn sold locally to smaller mills far weaving.	Kgs.	9,475,000

Item (d) on the ratio of (c) to (b) would produce an additional 54,955,000 square metres of cloth, making a grand total of 172,562,000 square metres for the whole of the local industry in 1944.

13. MISCELLANEOUS

Military Proclamation No.555 of the 11th January provides, in accordance with the Exchange/Import Control Agreement, that Egyptian residents must sell to the Ministry of Finance all assets accruing to them in any way in foreign currencies to be designated by the Minister of Finance. The arrêté specifying the actual currencies has not yet been issued, but it is expected that in the first place these will include U.S.A. dollars, Canadian dollars and Swiss francs.

NOTE:

1 cantar = 45 kilogrammes	=	100 lbs. approx.
1 Alexandria cotton bale	=	736 lbs. nett.
	=	758 lbs. gross.
1 ardeb of maize	=	140 kilogrammes.
1 ardeb of wheat	=	150 kilogrammes.
1 feddan	=	1.038 acres.

D 64610-3 22 D/3 R.34 4/45

National Archives of Australia NAA: A6740, EGYPT

EGYPT CONFIDENTIAL

Economic Report for December, 1944, prepared by the Commercial Counsellor to His Majesty's Embassy at Cairo

1. General Credit Position

Note Issue. As previously reported.

The Banking Clearing House movement for the quarter ending 31st December, 1944, totalled £E.75.4 millions, compared with £E.72.7 millions in the corresponding quarter of 1943.

2. Stock Exchanges

(a) Share and Bond Values on Local Markets.
(Index: Banque Belge & Internationale en Egypte).

(i) Equities:-

	November 1944				Highest & Lowest Indices in 1940/44	
	3rd	10th	18th	24th	Highest	Lowest
Five Banks	164.1	167.3	171.5	167.9	178.1	77.4
Six Public Enterprise Cos.	172.3	172.1	168.6	167.6	187.2	82.6
Twelve Land and Building Cos.	242.1	247.6	252.4	243.9	264.3	79.1
Twenty Industrial Cos.	215.5	217.4	219.3	214.7	234.3	78.9
GENERAL INDEX OF SHARES	193.4	196.0	198.4	194.1	210.3	90.2

(ii) Fixed Interest:-

Six Govt. and Municip. Funds	102.0	102.5	102.6	102.6	140.9	90.2
Nine Mortgage Co. Stocks	122.3	121.8	121.1	120.2	139.6	92.3
Five Other Cos.	172.4	171.9	172.2	172.2	179.0	97.9
General Index of Bonds	111.1	111.3	111.3	111.2	141.8	96.5

The above indices compare with the Bourse figures of the 1st January, 1940, represented by the number of 100.

Further gains were registered by many of the principal stocks and shares during December and the year closed with a very firm tone.

The following table shows the closing quotations at the end of the year of the shares listed in the preceding report in this series, with the comparative figures for November 30th, and the highest and lowest quotations during the year:-

	30.11.44 PT.	29.12.44 PT.	Highest 1944 PT.	Lowest 1944 PT.
National Loan 3¼%	10,270	10,420	10,425	9,870
National Bank of Egypt,	4,370	4,430	4,626	3,930
Misr Bank,	2,366	2,400	2,706	1,742
Filature Nationale,	2,460	2,334	2,750	1,980
Soc. Misr pour la Filature, etc.	2,670	2,650	2,960	2,014
Anglo-Egn. Oilfields	474	468	544	436
Sugar Co. Fdrs.	1,818	1,826	2,640	1,360

(b) (i) New Companies Formed.

Food Products, S.A.E., Authorised capital £E.100,000.

(b) (ii) Capital Increases

Société de Crédit et de Commerce, Capital increased from £E.40,000 to £E.80,000.

53394-2

National Archives of Australia NAA: A6740, EGYPT

3. Budget

(a) As previously reported.

(b) As previously reported.

(c) Customs and excise receipts for the period May-December, 1944 totalled £E.18,788,000, compared with £E.15,563.000 in the corresponding period of 1943, an increase of £E.3,225,000.

4. Price Levels

The following are the official index numbers of wholesale prices of twenty-six principal commodities in Cairo and Alexandria markets. (Basis: 1st January, 1913 to 31st July, 1914 = 100).

	1942	1943	1944	1942	1943	1944
	CAIRO			ALEXANDRIA		
May	168	223	259	167	217	225
June	181	221	265	179	222	260
July	180	224	267	179	223	265.5
August	188	228	281	186.5	225	277
September	197	237	275	196	232	272
October	199.4	237	288	200	233	281

The wholesale prices and cost of living indices as compared with 1939 are as follows:- (Basis: June-August, 1939 = 100).

	Wholesale Prices	Cost of Living
September, 1939	109	103
December, 1940	143	122
December, 1941	182.5	156
December, 1942	251	215
December, 1943	292.7	257.2
June, 1944	310.5	276.9
October, 1944	328.5	292

5. Commercial Payments
6. Exchange
7. Clearings

No changes to report.

8. Foreign Trade

(a) Total Trade (excluding bullion and specie)

	January-November 1943 £E	January-November 1944 £E	Inc. (+) or Dec. (-) in 1944 £E
Imports	35,667,000	45,700,000	+ 10,033,-00
Exports and Re-exports	24,855,000	24,969,000	+ 114,000
Trade Balance:-	- 10,812,000	- 20,731,000	

(b) October imports were valued at £E,4,093,000, the principal supplying countries being the U.S.A. (£E.760,000), the United Kingdom (£E.743,000), Turkey (£E.441,000), Iraq (£E.411,000), Canada (£E.315,000). India (£E.258,000). and Iran (£E.236,000).

For November, imports totalled £E.5,837,000, of which Chile supplied nitrates to the value of £E.1,746,000. The other principal suppliers were Iran (£E.692,000), India (£E.537,000), Turkey (£E.405,000), the United Kingdom (£E.388,000), Iraq (£E.371,000), the U.S.A. (£E.332,000) and Canada (£E.308,0000).

National Archives of Australia NAA: A6740, EGYPT

Imports for the first eleven months of 1943 and 1944 from the leading suppliers are shown in the following table:-

	Jan-Nov. 1943 £E	Jan-Nov. 1944 £E
U.S.A.	4,017,000	6,077,000
Iran	5,946,000	5,482,000
United Kingdom	6,039,000	5,432,000
Turkey	2,586,000	3,940,000
Chile	2,921,000	4,140,000
Iraq	2,808,000	3,675,000
India	3,346,000	3,338,000
Palestine	1,115,000	2,063,000
South Africa	1,247,000	1,932,000

(c) Exports during October were valued at £E.1,817,000, the United Kingdom being the principal purchaser with £E.818,000, followed by India with £E.523,000.

For November, exports totalled £E.1,819,000, the shares of the principal purchasing countries being, the United Kingdom £E.843,000, India, £E.413,000, Ceylon £E.137,000 and Portugal £E.117,000.

Exports to the leading countries for the eleven months ending November 1943 and 1944 were as follows:-

	Jan-Nov. 1943 £E	Jan-Nov. 1944 £E
India	7,438,000	7,763,000
United Kingdom	7,954,000	6,226,000
U.S.A.	2,393,000	1,406,000
Palestine	802,000	1,224,000
Ceylon	1,915,000	1,187,000
Spain	-	477,000
Australia	103,000	297,000

9. Customs and Excise Tariff

No changes to report.

The new excise and consumption duties on whisky and gin, referred to in the preceding report in this series, which have in the case of whisky resulted in an increase in the legal tariff price from £E.12 to £E.16 per case, have been severely criticised by the local British commercial interests involved and by the local British press as wrong in principle. The question is a particularly live one, as the 1944 Middle East Supply Centre import quota of about 34,000 cases is beginning to reach Egypt.

10. Cotton

Shipments of cotton for the first four months of the 1944-45 season totalled 114,872 bales, the greater portion of which went to the United Kingdom. Details are given in the following table:-

1st Sept. 1943 to 29th Dec. 1943 Bales	Country	1st Sept. 1944 to 27th Dec. 1944 Bales	Inc. (+) or Dec. (-) in 1944-45 Bales
175,130	United Kingdom	85,135	- 89,995
32,697	India	26,395	- 6,302
1,068	Portugal	2,668	+ 1,600
19,822	U.S.A.	-	- 19,822
7,494	Other Countries	674	- 6,820
236,211	Total	114,872	- 121,339

The second estimate of the 1944 cotton crop was issued on the 4th December. It estimated the crop at 4,483,000 cantars (including 94,000 cantars of "scarto") and showed little variation from the first estimate.

National Archives of Australia NAA: A6740, EGYPT

Military Proclamation No. 546 requires all cotton to be ginned within four weeks from the 17th December, 1944. There is considerable agitation against this measure which is said to be impossible to fulfil.

Military Proclamation No. 553 of the 28th December removes the ban on the cultivation of Zagora (short staple) cotton in the Delta in 1945, within the legal limits for cotton cultivation.

11. Cereals

Official estimates of the 1944 maize, millet and rice crops (Nili and Seifi) are as follows:-

Maize (Nili),	10,805,000 ardebs (compared with 9,567,000 ardebs in 1943)
Millet (Nili),	364,000 ardebs (compared with 390,000 ardebs in 1943).
Rice (Seifi & Nili),	858,000 daribas (compared with 725,000 daribas in 1943).

An offer of 50 tons of wheat has been made by the United States Government to the Egyptian Government, and further trade offers of wheat have been received by the Egyptians from the Argentine.

Military Proclamation No. 547 of the 17th December forbids the sale of more than two ardebs of maize from the 1944 crop to other than the Government without authorisation from the Minister of supplies, and annuls all contracts previously made at variance with this provision.

12. Other supply matters

On January 1st the Middle East Supply Centre issued a press statement announcing the abolition of Middle East Supply Centre control over a wide range of articles. The following extracts from the statement summarise the new procedure:-

(i) Control will still be maintained over commodities making heavy calls on shipping.
(ii) Import licences for commodities still in world short supply will remain subject to Middle East Supply Centre approval.
(iii) For all other items control by the Midle East Supply Centre will be withdrawn.

The statement referred to above points out the effect which exchange control might have in certain countries. In the case of Egypt, as a member of the sterling area, an Anglo-Egyptian Agreement was recently concluded to ensure that Egypt's essential requirements of hard currency during 1945 would be met. The Egyptian Minister of Finance issued a statement on this matter on the 1st January announcing the conclusion of the Agreement with Great Britain for increased importation in 1945. He said that His Majesty's Government had put at the disposal of the Egyptian Government sufficient foreign exchange to provide for Egypt's needs, and had undertaken to do every thing possible to increase the supply of British Goods to Egypt. He added that the Egyptian Government would take the necessary measures to control all operations in foreign exchange and to reorganise the import control so as to ensure importation of necessities within the limits agreed.

According to the press, the ration card system, which is to be introduced by the Minister of Supplies on completion of the family census, will be based on the income and size of each household instead of the rent, incomes being divided into five categories.

The kerosene ration remains the basis of calculation to which the rations for sugar and tea are tied. For each oke (about $2\frac{3}{4}$ lbs) of sugar 1 ounce of tea will be allocated. The edible oil ration will be $\frac{3}{4}$ of an oke per head per month. The cotton piece goods ("popular cloth") allocation is to be uniform throughout the country, each person being entitled to receive seven metres annually.

The Middle East Supply Centre have now intimated allocation to Egypt of a 1945 quota of about $13\frac{1}{2}$ million yards (say 1,500 tons) of cotton piece goods.

National Archives of Australia NAA: A6740, EGYPT

This is much less than the quantity of 3,700 tons agreed to be required by the Joint Import Control Committee, and also much less than the offtake of the British Services in cotton textiles from Egyptian markets and mills in the single year 1944 (over 3,000 tons) when Egypt received no quota for cotton textiles whatever.

In order to economise local consumption of sugar, which has recently been running at a higher level, the Government has issued a Military Proclamation, No.545 of the 17th December, to prevent the establishment of new factories utilising sugar in the manufacture of confectionery, mineral waters, etc., and measures to tighten up control of sugar issues for such purposes have been taken.

13. Miscellaneous

Military Proclamation No.548 of the 19th December increases the rates of cost of living bonus payable to employees in commercial and industrial establishments to the new rates fixed for Government servants (see the penultimate paragraph of the November Monthly Report).

NOTE:

1 cantar = 45 kilogrammes	=	100 lbs.
Alexandria cotton bale	=	736 lbs. nett
	=	758 lbs. gross
U.S.A. cotton bale	=	500 lbs.
8.4 ardebs of cottonseed	=	1 ton approx.

National Archives of Australia NAA: A6740, EGYPT

CONFIDENTIAL

EGYPT

Economic Report for November, 1944, prepared by the Commercial Counsellor to His Majesty's Embassy at Cairo.

---

1. GENERAL CREDIT POSITION

The note issue reached £E.109 millions at the end of September, an increase of £E.2.2 millions over the preceding month. This comparew with £E.92.6 m millions for September, 1943 and £E.73.9 for September, 1942.

2. STOCK EXCHANGES

(a) Share and Bond Values on Local Markets

(Index: Banque Belge et Internationale en Egypte).

(i) Equities:-

	October, 1944				Highest & Lowest Indices in 1940/44	
	5th	13th	20th	27th	Highest	Lowest
Five Banks	157.6	162.4	162.4	162.4	178.1	77.4
Six Public Enterprise Cos.	168.9	170.7	171.5	170.7	187.2	82.6
Twelve Land & Building Cos.	230.4	231.6	237.2	233.7	264.3	79.1
Twenty Industrial Cos.	204.8	207.9	211.7	211.3	234.4	78.9
GENERAL INDEX OF SHARES	185.3	188.5	190.7	189.9	210.3	90.2

(ii) Fixed Interest:-

	October, 1944				Highest & Lowest Indices in 1940-44	
	5th	13th	20th	27th	Highest	Lowest
Six Govt. & Municip. Funds	102.9	102.7	102.8	101.7	140.9	90.2
Nine Mortgage Co. Stocks	121.1	121.0	121.3	121.3	139.6	92.3
Five other Cos.	166.8	175.6	174.9	172.9	179.0	97.9
GENERAL INDEX OF BONDS	111.1	111.6	111.7	110.7	141.8	96.5

The above indices compare with the Bourse figures of the 1st January, 1940, represented by the number 100.

Market conditions continued to be firm during November and the principal shares all showed fairly substantial increases. Banking and textile shares were much in demand during the month.

Closing quotations at the end of November for the shares listed in the preceding report were as follows:-

	31.10.44	30.11.44
	PT.	PT.
National Loan 3¼%	10,220	10,270
National Bank of Egypt	4,200	4,370
Misr Bank	2,300	2,366
Filature Nationale	2,440	2,460
Soc. Misr.p. la Filature etc.	2,550	2,670
Anglo-Egyptian Oilfields,	450	474
Sugar Co. Founders.	1,730	1,818

(b) (i) New Companies Formed. Nil.

(b) (ii) Capital Increases

Soc. Agricole et Urbaine "Le Fayoum".
Capital increased from £E.180,000 to £E.300,000

Soc. Egyptienne Financière pour le Commerce et l'Industrie, S.A.E.
Capital increased from £E.100,000 to £E.200,000.

3. BUDGET

(a) As previously reported.

(b) do.

(c) Customs and excise receipts for the first seven months of the financial year 1944-45 (May/November) totalled £E.16,173,000, compared with £E.13,895,000 in the corresponding period of 1943-44, an increase of £E.2,278,000.

National Archives of Australia NAA: A6740, EGYPT

4. PRICE LEVELS

The following are the official index figures of wholesale prices of twenty-six principal commodities in Cairo and Alexandria markets (Basis: 1st January, 1913 to 31st July, 1914 = 100).

	1942	1943	1944	1942	1943	1944
	CAIRO			ALEXANDRIA		
April	161.5	220	255	161	216	255
May	168	223	259	167	217	255
June	181	221	265	179	221	260
July	180	224	267	179	223	265.5
August	188	228	281	186.5	225	277
September	197	237	275	196	232	272

The wholesale prices and cost of living indices compared with 1939 are as follows. (Basis: June/August, 1939 = 100).

	Wholesale Prices	Cost of Living
September, 1939	109	103
December, 1940	143	122
December, 1941	182.5	156
December, 1942	251	215
December, 1943	292.7	257.2
June, 1944	310.5	276.9
September, 1944	327.9	287.6

5. COMMERCIAL PAYMENTS.

6. EXCHANGE.

7. CLEARINGS.

No changes to report.

8. FOREIGN TRADE

(A) Total Trade. (excluding bullion and specie)

	January-September 1943 £E.	January-September 1944 £E.	Increase (+) or Decrease (-) in 1944 £E.
Imports	28,002,000	35,769,000	+ 7,767,000
Exports & Re-exports	15,612,000	20,603,000	+ 4,991,000
Trade Balance	- 12,390,000	- 15,166,000	

(B) September, 1944 imports were valued at £E.3,334,000 the principal supplying countries being the U.S.A. with £E.600,000; the United Kingdom £E.577,000; Turkey £E.316,000; Iraq £E.311,000; India £E.310,000; and Iran £E.297,000.

For the nine months ending September, 1943 and 1944, the shares of the leading suppliers were as follows:-

	Jan-Sept. 1943 £E.	Jan-Sept. 1944 £E.
U.S.A.	2,132,000	4,985,000
Iran.	3,818,000	4,554,000
United Kingdom	5,296,000	4.301,000
Turkey	1,832,000	3,094,000
Iraq	2,315,000	2,893,000
India	2,877,000	2,543,000
Chile	2,459,000	2,394,000
Palestine	847,000	1,793,000
South Africa	1,065,000	1,675,000

(C) Exports for September, 1944 totalled £E.501,000 of which Ceylon's share was £E.212,000 and that of the United Kingdom £E.67,000.

National Archives of Australia NAA: A6740, EGYPT

Exports to Egypt's principal customers during the nine months ending September, 1943 and 1944 were as under:-

	Jan-Sept. 1943	Jan-Sept. 1944
	£E.	£E.
India,	6,055,000	6,827,000
United Kingdom.	2,739,000	4,565,000
U.S.A.	1,733,000	1,406,000
Palestine	697,000	1,077,000
Ceylon	1,162,000	1,050,000
Spain	-	477,000
Australia	103,000	254,000

9. CUSTOMS AND EXCISE TARIFF

A decree dated 5th November, 1944 imposed an excise or consumption duty on imported or locally manufactured whisky and gin of 600 milliemes per litre of liquid of which the alcohol content does not exceed 44 degrees. The effect of this decree will be to increase the price of both beverages by 50 per cent.

10. COTTON

There have recently been some substantial shipments of cotton to the United Kingdom. The usual statistical table of exports is not available this month.

11. CEREALS

Proclamation No. 532 of 29th October provides for compulsory purchase of maize from the cultivator, quantities to be determined by the Minister of Agriculture.

At the last meeting of the Joint Supplies Board, the Egyptian representatives were informed that shipping had now been programmed to load 40,000 tons of wheat for Egypt in January, 1945 to meet the demand for February. They agreed that this would permit them to postpone adulteration of bread flour with rice until the 1st February next.

Pending settlement of the detailed procedure for the deliveries to His Majesty's Government from the paddy rice under requisition by the Egyptian Government, the latter have agreed to the U.K.C.C. purchasing separately 30,000 tons of new crop white rice at the tariff price for local millers, to be deducted eventually from the total quantity provided to His Majesty's Government from Government requisitioned stocks.

12. OTHER SUPPLY MATTERS

It is understood that the Ministry of Supplies in conjunction with the Statistical Department have now completed a family census covering the whole of the country, ordered under Proclamation No.536 of the 6th November, which will form the basis for a general ration card system.

To compensate the stabilisation fund for the recent reduction in the price of kerosene, the price of petrol has been raised by PT.1 per four-gallon tin and that of fuel oil by 300 milliemes per ton.

The official figure for the 1944 area under sugar cane is 95,595 feddans, an increase of over 8,000 feddans over 1943. This does not mean, however, that there will necessarily be an increased production of raw sugar as the crushing factories have, in recent years, with one exception, been working to full capacity.

The Egyptian authorities are being informed of the decision that additional tanker tonnage cannot be provided for the purpose of enabling Egypt to abolish kerosene rationing.

13. MISCELLANEOUS

A decree law, No.152 dated 14th November, lays down that the metallic content of two piastre coins will henceforth be 50% silver, 48% copper and 2% manganese. This order has become necessary owing to the fact that the silver content of the present coin is worth more than the face value, resulting in the melting down of two piastre coins for jewellery, etc.

National Archives of Australia NAA: A6740, EGYPT

A new scheme of cost of living bonuses has been introduced by the Government. Existing bonuses for all Government officials and employees of banks and commercial firms etc. have been increased considerably. A married man with three children earning £E.5 or less per month receives a 100% bonus. A married man with one or two children earning £E.5 or less per month receives a 75% bonus; and a single man or a married man with no children on the same wage scale receives a 50% bonus. Above £E.5 per month the bonus is graded down to 14% on salaries of £E.40 per month and over. The new rates came into force as from the 1st November and it is estimated that they will cost the Treasury £E.3,500,000 per annum.

Under the terms of law No.123 of 1944, published in the French version of the "Journal Official No.143 of the 23rd November, all workers in commercial and industrial establishments in districts to be designated by order of the Minister of Socail Affairs must furnish themselves with identity cards. The law comes into force in February, 1945.

NOTE:

1 cantar = 45 kilogrammes	=	100 lbs.
Alexandria cotton bale	=	736 lbs. nett.
	=	758 lbs. gross.
U.S.A. cotton bale	=	500 lbs.
8.4 ardebs of cottonseed	=	1 ton. approx.

National Archives of Australia NAA: A6740, EGYPT

Economic Report for October 1944, prepared by the Commercial Counsellor to H.M. Embassy at Cairo.

1. GENERAL CREDIT POSITION

The figure of the total of the Note Issue at the end of September is not yet available.

The Banking Clearing House movement for the quarter ended 30th September, 1944 totalled £E.62.1 millions, compared with £E.59.1 millions in the corresponding three months of 1943.

2. STOCK EXCHANGES

(a) Share & Bond Values on Local Markets
(Index: Banque Belge & Internationale en Egypte).

(i) Equities:-

	September, 1944					Highest & Lowest Indices in 1940/44	
	1st	8th	15th	22nd	29th	Highest	Lowest
Five Banks	153.8	156.3	157.9	157.1	160.2	178.1	77.4
Six Public Enterprise Cos.	168.9	168.0	167.7	167.9	169.1	187.2	82.6
Twelve Land & Bldg. Cos.	228.5	225.5	224.1	224.6	232.5	264.3	79.1
Twenty Industrial Cos.	204.4	203.2	200.8	202.0	208.1	234.3	78.9
GENERAL INDEX OF SHARES:-	183.4	183.4	182.9	183.3	187.6	210.3	90.2

(ii) Fixed Interest:-

	September, 1944					Highest & Lowest Indices in 1940/44	
	1st	8th	15th	22nd	29th	Highest	Lowest
Six Govt. & Municip. Funds	102.5	102.3	102.5	102.4	102.4	140.9	90.2
Nine Mortgage Co. Stocks	118.5	118.8	118.8	119.4	121.8	139.6	92.3
Five Other Companies	165.5	166.8	166.8	166.8	166.8	179.0	97.9
GENERAL INDEX OF BONDS:-	110.3	110.3	110.5	110.5	110.9	141.8	96.5

The above indices compare with the Bourse figures of the 1st January, 1940, represented by the number 100.

The upward movement of prices noted at the end of September continued in evidence during October and although there were fewer substantial gains, quotations were generally higher, and the market closed firm.

End of the month figures for the shares listed in the preceding report, with comparative quotations for the 29th September, were as follows:-

	29.9.44 PT.	31.10.44 PT.
National Loan 3½%	10,240	10,220
National Bank of Egypt.	4,100	4,200
Misr Bank.	2,350	2,300
Filature Nationale.	2,330	2,440
Soc. Misr p/ la Filature etc.	2,496	2,550
Anglo-Egyptian Oilfields.	453	450
Sugar Company Fdrs.	1,690	1,730

(b) (i) New Companies Formed

Near East Commercial Corporation.
Authorised capital, £E.25,000

Egyptian Road Transport Company.
Authorised capital, £E.100,000

(b) (ii) Capital Increases

Soc. Egyptienne de Tuyaux, Poteaux et Produits en Ciment Armé, Système Siegwart.
Capital increased from £E.75,000 to £E.100,000.

3. BUDGET

(a) As previously reported.
(b) As previously reported.

National Archives of Australia NAA: A6740, EGYPT

Customs and excise receipts for the first half of the financial year 1944-45, with comparative figures for 1943-44, were as follows:-

May/Oct. 1943	May/Oct. 1944	
£E	£E	£E
11,913,000	13,617,000	+ 1,704,000

4. PRICE LEVELS

The official index figures of wholesale prices of twenty-six principal commodities in Cairo and Alexandria markets are given in the following table. (Basis: 1st January 1913 to 31st July 1914 = 100).

	CAIRO			ALEXANDRIA		
	1942	1943	1944	1942	1943	1944
March	159	218.5	255	159	213	253.5
April	161.5	220	255	161	216	255
May	168	223	259	167	217	255
June	181	221	265	179	221	260
July	180	224	267	179	223	26 .5
August	188	228	281	186.5	225	277

Wholesale prices and cost of living indices as compared with 1939 are shown below. (Basis: June-August, 1939 = 100):-

	Wholesale Prices	Cost of Living
September 1939	109	103
December 1940	143	122
December 1941	182.5	156
December 1942	251	215
December 1943	292.7	257.2
June 1944	310.5	276.9
July 1944	314.5	282.5
August 1944	316.3	286.4

5. COMMERCIAL PAYMENTS.
6. EXCHANGE.
7. CLEARINGS.

No changes to report.

8. FOREIGN TRADE

(a) Total Trade (excluding bullion and specie).

	January-August 1943 £E.	January-August 1944 £E.	Inc. (+) or Dec. (-) in 1944 £E.
Imports,	25,165,000	32,435,000	+ 7,270,000
Exports & Re-exports,	13,644,000	19,774,000	+ 6,130,000
Trade Balance:-	- 11,521,000	- 12,661,000	

(b) Imports during August 1944 totalled £E.4,097,000, the principal suppliers being Iran (£E.623,000), the United Kingdom (£E.534,000), the United States of America (£E.455,000), India (£E.436,000), Ceylon (£E.387,000), Turkey (£E.347,000) and Iraq (£E.316,000).

The shares of the leading supplying countries for the first eight months of 1943 and 1944 were as under:-

	Jan/Aug. 1943 £E.	Jan/Aug. 1944 £E.
U.S.A.	2,739,000	4,385,000
Iran	3,533,000	4,257,000
United Kingdom	4,731,000	3,723,000
Turkey	1,543,000	2,778,000
Iraq	2,131,000	2,583,000
Chile	2,459,000	2,394,000
India	2,477,000	2,233,000
Palestine	734,000	1,631,000
South Africa	941,000	1,588,000

(c) Exports during August 1944 were valued at £E.1,273,000, the chief purchasing countries being India (£E.680,000), the United Kingdom (£E.177,000) and Palestine (£E.111,000).

National Archives of Australia NAA: A6740, EGYPT

For the periods January to August 1943 and 1944 the position was as follows:-

	Jan/Aug. 1943	Jan/Aug. 1944
	£E.	£E.
India	6,043,000	6,821,000
United Kingdom	1,733,000	4,498,000
U.S.A.	1,284,000	1,406,000
Palestine	619,000	1,037,000
Ceylon	1,101,000	838,000
Spain	-	477,000
Australia	91,000	254,000

9. CUSTOMS AND EXCISE TARIFF. No changes to report.

10. COTTON.

Shipments of raw cotton during the first two months of the 1944-45 season totalled only 27,927 bales against 141,168 bales in the corresponding period of the preceding season. Details are given in the following table:-

1st Sept. 1943 to 3rd Novr. 1943 Bales.	Country	1st Sept. 1944 to 1st Novr. 1944 Bales	Inc. (+) or Dec. (-) in 1944-1945. Bales
102,645	United Kingdom	19,537	- 83,108
14,663	India	7,462	- 7,201
-	Portugal	865	+ 865
19,822	U.S.A.	-	- 19,822
4,039	Other Countries.	63	- 3,976
141,169	Total	27,927	- 113,242

The first estimate of the 1944 cotton crop was issued by the Ministry of Agriculture on the 2nd October. The crop is estimated at 4,487,000 cantars (including 93,000 cantars of "Scarto" or very low grade cotton), compared with the final outturn of 3,569,408 cantars in 1943 (which included 75,016 cantars of "Scarto").

Ministerial Order No.107 of the 30th September charged the Egyptian Cotton Commission (1943) with the purchase of cotton from the 1944 crop.

11. CEREALS

In response to urgent requests from the new Egyptian Government for assistance in view of the gravity of the cereals situation, they have been informed that, while His Majesty's Government cannot at the moment give a firm undertaking, they recognise the Egyptian estimated deficiency of 150,000 tons of wheat and are prepared to endeavour to meet it, provided in return their requirements as regards Egyptian rice can be satisfactorily arranged. Subject to the rice arrangements, His Majesty's Government propose to deliver 10,000 tons of wheat monthly in November, December and January to cover requirements in the Alexandria area. It is understood that the balance of 120,000 tons will be required for delivery in February, March and April, 1945.

The rice arrangements proposed by His Majesty's Government are on the basis that all rice surplus to Egypt's requirements should be made available to His Majesty's Government in accordance with the Nitrates/Surplus Crops agreement. It is hoped to obtain not less than 150,000 tons of white rice.

Proclamation No.525 of the 2nd October required all rice cultivators to deliver a proportion of their 1944 crop to the Government at the fixed tariff price, the quantity per feddan to be fixed by arrêté of the Ministry of Agriculture. The legal paddy price has been fixed at £E.16 per dariba (about 1 ton).

12. OTHER SUPPLY MATTERS

A Ministry of Supplies arrêté, No.491, was issued at the beginning of October, dealing with control of textile production (both factory and hand-loom) and prescribes the quantities to be delivered to the authorities by producers on the basis of the yarn authorised. The arrêté also specifies the official arrangements for distribution of cotton textiles.

National Archives of Australia NAA: A6740, EGYPT

The new Minister of Finance has decided to widen the scope of the existing Joint (Anglo-American-Egyptian) Control of Imports Committee, in order to bring under its wing other joint committees dealing with supplies questions, such as the Cereals Board and the Road Transport Committee. The name of the new main joint committee will be the Joint (Anglo-American-Egyptian) Supplies Committee.

A Ministerial Committee has been formed of which the aims are to force down the prices of essentials. The first results have been seen in the recent reduction in the price of kerosene by 18 milliemes per 4-gallon tin, and of sugar by 10 milliemes per oke ($2\frac{3}{4}$ lbs.).

The new Government has announced its intention of revising the present rationing procedure and to increase the ration of sugar and edible oil. They have also stated their intention to abolish kerosene rationing as soon as possible.

Note:-

1 cantar = 45 kilogrammes = 100 lbs.

Alexandria cotton bale = 736 lbs. nett.
= 758 lbs. gross.

U.S.A. cotton bale = 500 lbs.

8.4 ardebs of cottonseed = 1 ton approx.

D 52885-1 22 D/d 598 12/44

National Archives of Australia NAA: A6740, EGYPT

Confidential

E G Y P T

Economic Report for August and September, 1944, prepared by the Commercial Counsellor to His Majesty's Embassy at Cairo

1. General Credit Position

The note issue increased to £E.106.3 millions at the end of July and to £E.106.8 millions at the end of August. This compares with £E.90.8 millions a year ago and £E.71.3 millions at the end of August 1942.

2. Stock Exchange

(a) Share & Bond Values on Local Markets
(Index : Banque Belge & Internationale en Egypte).

(i) Equities :-

	August 1944				Highest & Lowest Indices in 1940/44	
	4th	11th	18th	25th	Highest	Lowest
Five Banks	160.1	153.0	152.9	153.1	178.1	77.4
Six public Enterprise Cos.	170.3	166.6	168.5	168.8	187.2	82.6
Twelve Land & Buildg. Cos.	223.3	215.4	224.7	221.8	264.3	79.1
Twenty Industrial Cos.	204.6	197.7	200.8	201.9	234.3	78.9
GENERAL INDEX OF SHARES	185.3	178.7	181.3	181.3	210.3	90.2

(ii) Fixed Interest:-

Six Govt. & Municip. Funds	101.3	101.4	102.0	102.6	140.9	90.2
Nine Mortgage Co. Stocks	118.2	117.7	118.5	118.4	139.6	92.3
Five other Cos.	168.9	163.9	164.8	164.2	179.0	97.9
GENERAL INDEX OF BONDS	109.6	109.2	109.8	110.2	141.8	96.5

The above indices compare with the Bourse figures of the 1st January 1940, represented by the number 100.

The stock markets were quiet during August and the first three weeks of September with the downward movement which started early in July still in evidence. A steady rise in quotations commenced, however, during the last week in September and by the end of the month many shares showed substantial gains over the end of August quotations.

Closing quotations at the end of September for the shares listed in the preceding report, with the comparative figures for August 30th, were as under :-

	30.8.44 PT.	29.9.44 PT.
National Loan 3½%	10,265	10,240
National Bank of Egypt	4,130	4,100
Misr Bank	1,974	2,350
Filature Nationale	2,068	2,330
Soc. Misr. pour la Filature &c.	2,296	2,496
Anglo-Egyptian Oilfields	456	453
Sugar Co. Fdrs.	1,636	1,690

(b) (i) New Companies Formed. Nil.

(b)(ii) Capital Increases. Nil.

3. Budget

(a) Law No.114 of the 13th August, 1944 fixed the provisions of the State Budget for 1944-45. Expenditure was fixed at £E.76,689,000 and receipts at £E.72,690,000, the deficit of £E.3,999,000, representing the first instalment towards the cost of the Government's Five-Year Plan, being taken from the General Reserve Fund.

National Archives of Australia NAA: A6740, EGYPT

(b) Provisional figures of Government revenue and expenditure for the first quarter of the financial year 1944-45, compared with the corresponding period of 1943-44, are as follows :-

	May/July 1943	May/July 1944
	£E.	£E.
Revenue	16,076,000	19,957,000
Expenditure	12,995,000	9,[illegible]73,000

Customs and excise receipts for the same periods amounted to £E.7,214,000 in 1944, compared with £E.5,868,000 in the corresponding three months of 1943, an increase of £E.1,346,000.

4. Price Levels

The official index figure of wholesale prices of twenty-six principal commodities in Cairo and Alexandria markets are given in the following table. (Basis, 1st January 1913 to 31st July 1914 = 100) :-

	CAIRO			ALEXANDRIA		
	1942	1943	1944	1942	1943	1944
February	160.5	225	255	159	221	249
March	159	218.5	255	159	213	253.5
April	161.5	220	255	161	216	255
May	168	223	259	167	217	255
June	181	221	265	179	221	260
July	180	224	267	179	223	265.5

Wholesale prices and cost of living indices compared with 1939 are as under (Basis : June/Aug. 1939 = 100) :-

	Wholesale Prices	Cost of Living
Sept. 1939	109	103
Dec. 1940	143	122
Dec. 1941	182.5	156
Dec. 1942	251	215
Dec. 1943	292.7	257.2
June 1944	310.5	276.9
July 1944	314.5	282.5

5. Commercial Payments
6. Exchange
7. Clearings

No changes to report.

8. Foreign Trade

(A) Total trade (excluding bullion and specie).

	Jan/July 1943 £E.	Jan/July 1944 £E.	Inc. (+) or Dec. (-) in 1944 £E.
Imports	22,478,000	28,337,000	+ 5,859,000
Exports & Re-exports	11,091,000	18,138,000	+ 7,047,000
Trade Balance	- 11,387,000	- 10,199,000	

(B) Imports during July 1944 totalled £E.3,581,000, the principal suppliers being Turkey, £E.390,000; the U.K. £E.374,000; the U.S.A. £E.552,000; India £E.348,000; and Iraq £E.343,000.

National Archives of Australia NAA: A6740, EGYPT

For the first seven months of 1943 and 1944 the shares of the leading suppliers were as follows :-

	Jan/July 1943 £E.	Jan/July 1944 £E.
United Kingdom	4,027,000	3,189,000
Iran	3,432,000	3,635,000
Chile	2,459,000	2,394,000
U.S.A.	2,450,000	3,930,000
India	2,176,000	1,797,000
Iraq	1,870,000	2,267,000
Turkey	1,240,000	2,430,000
South Africa	881,000	1,402,000
Palestine	651,000	1,450,000
Canada	293,000	1,076,000

(C) Exports for July 1944 were valued at £E.1,794,000, the principal purchasing countries being India £E.832,000 and the U.K. £E.196,000.

Exports to Egypt's principal customers for the first seven months of 1943 and 1944 were valued as under :-

	Jan/July 1943 £E.	Jan/July 1944 £E.
India	5,548,000	6,141,000
U.K.	1,233,000	4,321,000
U.S.A.	71,000	1,405,000
Palestine	523,000	926,000
Ceylon	996,000	830,000
Spain	-	477,000
Australia	73,000	254,000

9. Customs & Excise Tariff. No changes to report.

10. Cotton

Cotton shipments during August totalled about 20,000 bales, mainly to India.

Exports of cotton for the 1943-44 season, compared with the preceding season, were as under :-

1st Sept. 1942 to 31st Aug. 1943 Bales	Country	1st Sept. 1943 to 31st Aug. 1944 Bales	Inc. (+) or Dec. (-) in 1943-1944 Bales
47,711	United Kingdom	270,332	+ 222,621
175,294	India	147,540	- 27,754
2,407	Portugal	2,288	- 119
31,173	U.S.A.	46,612	+ 15,439
27,454	Other Countries	28,921	+ 1,467
284,039	TOTAL	495,693	+ 211,654

The Council of Ministers announced in August the Government's decision to increase the minimum buying prices for 1944 cotton as follows, compared with 1943, for Fully Good Fair cotton, hydraulically pressed, delivered Alexandria :-

Ashmouni	From 24 dollars to 29 dollars
Giza 7	From 30 dollars to 36 dollars

The Ministry of Finance was designated to fix the prices for all other varieties and grades on the above basis through the medium of a Commission to be formed for the purpose.

Cottonseed prices remain the same as for 1943.

National Archives of Australia NAA: A6740, EGYPT

11. Cereals

The final estimate of the 1944 wheat and barley crops proved even lower than the figures given in the July report in this series, wheat being placed at only 6,307,000 ardebs against 8,611,000 last year and barley at 1,890,000 ardebs against 2,260,000 in 1943. The Minister of Agriculture estimates that 1,000,000 ardebs (nearly 150,000 tons) of wheat will have to be imported into Egypt before the next harvest comes in at the middle of June 1945.

The summer millet and maize acreage were recently announced and are slightly higher than in 1943. The figures are as follows:-

	1943 Feddans	1944 Feddans
Millet	650,031	654,796
Maize (Seifi)	35,365	42,813

The Minister of Agriculture has estimated that the surplus paddy rice likely to be available over normal local consumption from the 1944 crop will amount to 300,000 daribas (about 280,000 tons).

12. Other Supply matters

The Middle East Supply Centre have arranged supply through the United Kingdom Commercial Corporation of 18,000 tons of groundnuts from India to be used mainly for soapmaking and to relieve the edible oil position. The Egyptian Government have agreed, in view of this importation, to keep in reserve until January 1945, the Sudan 1944 crop cottonseed which is now beginning to be delivered to Egypt.

The estimated import quotas for 1945 have been provisionally agreed between the Egyptian Government and the Anglo-American authorities. These figures show a substantial increase on 1944 amounting in many commodities to from 30% to 100%, with an overall increase in the neighbourhood of 50%. These quota figures include an allocation for cotton piece goods, for which Egypt has hitherto received no allocation.

13. Miscellaneous

A Joint Anglo-Egyptian Committee has been set up to examine the labour problems which will arise when very large numbers of Egyptian workmen employed directly or indirectly on work for the Forces are dispensed with.

The Estate Duties Law No. 142 of 1944 has been passed by Parliament at the reduced scale proposed by the Senate. This is as follows :-

2%	on the first	£E.	5,000
3%	" second	£E.	5,000
4%	" third	£E.	5,000
5%	" fourth	£E.	5,000
6%	" next	£E.	10,000
7%	" next	£E.	10,000
8%	on the next	£E.	10,000
10%	on any additional sum.		

Legacies not exceeding £E.500 are exempt.

The local press reports that a commercial agreement is about to be signed between Egypt and the Yemen.

Law No. 87 of 1944, modifying Law No. 69 of 1942, increases the exemptions granted to proprietors on whose land the tax would not at standard rates exceed £E.10 per annum.

The Minister of Finance announced early in September that agreement had been reached between the Government and the Misr Bank in regard to the questions outstanding between them.

A special United States trade mission responsible to the State Department has arrived in Egypt from North Africa to examine trade relations between the Middle East and the U.S.A.

National Archives of Australia NAA: A6740, EGYPT

Measures of economic interest, other than those referred to above, passed during the period under reference, included the following :-

(a) Proclamation No. 516 of the 1st August, abolishing all blackout restrictions in Cairo and Upper Egypt.

(b) Law No. 110 of 1944 imposing on employers of more than thirty workmen the obligation to teach their workmen to read and write.

(c) Law No. 121 of 1944 extending for the period of the new Sugar Agreement the customs and excise duties on sugar imposed under Law No. 24 of 1931.

(d) Law No. 58 of 1944 regulating the status of Co-operative Societies in Egypt.

(e) Law No. 124 of 1944 imposing an Additional Duty on the Income Tax and on the Land Tax.

(f) Law No. 44 of 1944 increasing the motor vehicles tax.

Note:-

1 cantar = 45 kilogrammes	=	100 lbs.
Alexandria cotton bale	=	736 lbs. nett
	=	738 lbs. gross
U.S.A. cotton bale	=	500 lbs.
8.4 ardebs of cottonseed	=	1 ton approx.

D 43276-1 22 D/d 593

National Archives of Australia NAA: A6740, EGYPT

A4311

ITEM NUMBER
130/4
Imposed by Australian Archives
INITIALS
PR.
DATE
14 JAN 1981

A4311